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CITIC Limited
中國中信股份有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 00267)

ANNOUNCEMENT

ANNUAL RESULTS ANNOUNCEMENT OF CHINA CITIC BANK CORPORATION LIMITED FOR THE YEAR ENDED 31 DECEMBER 2025

This announcement is made by CITIC Limited (the "Company") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Company notes the announcement (the "CITIC Bank Announcement") of today's date made by China CITIC Bank Corporation Limited ("CITIC Bank"), a principal subsidiary of the Company, in relation to the annual results of CITIC Bank and its subsidiaries for the year ended 31 December 2025. The CITIC Bank Announcement is available on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and is set out at the end of this announcement.

By Order of the Board
CITIC Limited
Xi Guohua
Chairman

Hong Kong, 20 March 2026

As at the date of this announcement, the executive directors of the Company are Mr. Xi Guohua (Chairman), Mr. Zhang Wenwu, Mr. Liu Zhengjun and Mr. Wang Guoquan; the non-executive directors of the Company are Ms. Li Yi, Mr. Yue Xuekun, Mr. Yang Xiaoping and Mr. Li Zimin; and the independent non-executive directors of the Company are Mr. Anthony Francis Neoh, Mr. Francis Siu Wai Keung, Dr. Xu Jinwu, Mr. Gregory Lynn Curl, Mr. Toshikazu Tagawa and Mr. Chen Yuyu.

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中信银行
CHINA CITIC BANK

中信銀行股份有限公司
China CITIC Bank Corporation Limited

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

(Stock Code: 998)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

The board of directors (the "**Board of Directors**") of China CITIC Bank Corporation Limited (the "**Bank**") is pleased to announce the annual results of the Bank and its subsidiaries (the "**Group**") for the year ended 31 December 2025. This annual results announcement contains the annual report of the Bank for the year ended 31 December 2025, the contents of which were prepared in accordance with the applicable disclosure requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**"). The annual financial information of the Group for the year ended 31 December 2025 has been audited by KPMG in accordance with Hong Kong Standards on Auditing. The annual results have also been reviewed by the Audit Committee under the Board of Directors. This annual results announcement is published on the websites of the Bank (www.citicbank.com) and The Stock Exchange of Hong Kong Limited (www.hkexnews.hk). The annual report of the Bank for the year ended 31 December 2025 will be published and will also be available at the abovementioned websites in due course.

CLOSURE OF REGISTER OF MEMBERS

After being reviewed and adopted by the Board of Directors, the Profit Distribution Plan for 2025 is proposed to be submitted to shareholders' meeting for deliberation. The plan proposes to pay a cash dividend of RMB1.93 per 10 shares (tax inclusive, the same below). With reference to the total of 55.645 billion A shares and H shares of the Bank as at 31 December 2025, the total amount of the final cash dividends for ordinary shares of the year 2025 shall be RMB10.740 billion, together with the paid out interim cash dividends of RMB10.461 billion (RMB1.88 per 10 shares), amounting to RMB21.201 billion (RMB3.81 per 10 shares) of cash dividends in the whole year. The Bank shall maintain the total amount of dividends unchanged and adjust the dividends per share when there is a change in the Bank's total shares before the register date. No scheme for transfer of capital reserve to share capital will be applied for the current year.

If the Bank's proposal for 2025 final dividend distribution is approved by the shareholders at the forthcoming shareholders' meeting, the 2025 final dividends will be distributed by the receiving agent in Hong Kong for payment of the H-shares dividend engaged by the Bank to the H shareholders of the Bank as shown on the Bank's register of members on Tuesday, 26 May 2026. The Bank's register of members will be closed from Wednesday, 20 May 2026 to Tuesday, 26 May 2026 (both dates inclusive). In order to qualify for receiving the 2025 final dividend proposed by the Bank, which is subject to the shareholders' approval at the forthcoming shareholders' meeting of the Bank, holders of H share of the Bank should ensure that all share transfer documents together with the relevant share certificates must be lodged with the Bank's H share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Tuesday, 19 May 2026. The Bank plans to distribute the 2025 annual dividends to H shareholders on Monday, 6 July 2026. If there is any change to the expected dividend distribution date, the Bank will publish an announcement regarding such changes.

By order of the Board of Directors
China CITIC Bank Corporation Limited
FANG Heying
Chairman

Beijing, the PRC
20 March 2026

As at the date of this announcement, the executive directors of the Bank are Mr. Fang Heying (Chairman) and Mr. Hu Gang; the non-executive directors are Mr. Wei Qiang, Mr. Wang Yankang and Mr. Fu Yamin; and the independent non-executive directors are Mr. Liu Tsz Bun Bennett, Mr. Zhou Bowen, Mr. Wang Huacheng and Ms. Song Fangxiu.

CORPORATE PROFILE

China CITIC Bank was founded in 1987. It is one of the earliest emerging commercial banks established during China's reform and opening-up and also China's first commercial bank participating in financing at both domestic and international financial markets. As a keen contributor to China's economic development, the Bank is renowned at home and abroad for brushing numerous track records in the modern Chinese financial history. In April 2007, the Bank simultaneously listed its A and H shares at the Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited.

Relying on the comprehensive resources of CITIC Group in terms of "Finance + Real Economy", the Bank, with the vision to become a bank with "Four Features"[1] and one of the world's first-class banks, upholds honesty and trustworthiness and pursues benefits through righteous means, steadiness and prudence, integrity and innovation, and legal compliance. Being customer-centric, the Bank worked to create a distinctive and differentiated model for financial services by implementing the "Five Leading"[2] strategy. For government and institutional customers, corporate customers and inter-bank market customers, the Bank offers integrated financial solutions in corporate banking business, investment banking business, international business, transaction banking business, custody business, financial market business, etc. For individual customers, the Bank provides diversified financial products and services related to wealth management, personal credit, credit cards, private banking, pension finance and going abroad finance, etc. As such, the Bank satisfies the needs of government and institutional, corporate, inter-bank market and individual customers for comprehensive financial services on all fronts.

As at the end of the reporting period, the Bank had 1,484 outlets in 153 large and medium-sized cities in China and 8 affiliates at home and abroad, namely CITIC International Financial Holdings Limited, CNCB (Hong Kong) Investment Co., Ltd., CITIC Financial Leasing Co., Ltd., CITIC Wealth Management Corporation Limited, CITIC Bank Financial Asset Investment Co., Ltd., CITIC aiBank Corporation Limited, JSC Altyn Bank and Zhejiang Lin'an CITIC Rural Bank Limited. CITIC Bank International Limited, a subsidiary of CITIC International Financial Holdings Limited, recorded 28 outlets, 2 business wealth management centers, and 1 private banking center in the Hong Kong SAR, the Macao SAR, New York, Los Angeles, Singapore and the Chinese mainland. CNCB (Hong Kong) Investment Co., Ltd. had 3 subsidiaries in the Hong Kong SAR and the Chinese mainland. CITIC Wealth Management Corporation Limited is a wholly-owned wealth management subsidiary of the Bank. CITIC aiBank Corporation Limited, a joint venture co-sponsored by the Bank and Baidu, is the first independent legal entity practicing direct banking in China. JSC Altyn Bank had 7 outlets and 1 private banking center in Kazakhstan.

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1 A bank with "Four Features": a responsible, unique, valuable and caring provider of the best comprehensive financial services.

2 "Five Leading": a leading wealth management bank, a leading comprehensive financing bank, a leading trading settlement bank, a leading forex service bank, and a leading digital bank.

With a firm grasp of the political and people-oriented nature of financial work, the Bank has remained committed to its financial positioning and responsibility under overall strategies of the Party and the country, and worked unswervingly to be a loyal practitioner of national strategies, a strong supporter of the real economy, and an active builder of China as a financial powerhouse. Thriving through 38 years since its establishment, the Bank has become a financial conglomerate with strong comprehensive strength and brand competitiveness, registering more than RMB10 trillion total assets and over 67,000 employees. In 2025, Brand Finance of the United Kingdom rated the Bank 19th on its list of the "Top 500 Banking Brands" and the growth of 27.2% of the Bank ranked No.1 among banks from Chinese mainland. *The Banker* magazine of the United Kingdom rated the Bank 18th on its list of the "Top 1,000 World Banks" in terms of tier-one capital and named the Bank "Bank of the Year China 2025".

IMPORTANT NOTICE

The Board of Directors, directors and the senior management of the Bank guarantee that the information contained in the 2025 Annual Report does not include any false record, misleading statement or material omission, and assume several and joint liabilities for its truthfulness, accuracy and completeness.

The Board of Directors of the Bank adopted the full text and summary of the Bank's 2025 Annual Report on 20 March 2026. Nine of the nine eligible directors attended the meeting, with independent director Liu Tsz Bun Bennett appointing independent director Wang Huacheng to attend and vote on his behalf due to business arrangements. The senior management of the Bank attended the meeting as non-voting delegates.

The 2025 annual financial reports prepared by the Bank in accordance with the PRC Accounting Standards and International Financial Reporting Standards (IFRS) Accounting Standards were audited by KPMG Huazhen LLP and KPMG in accordance with China Auditing Standards and Hong Kong Standards on Auditing, respectively, with both firms producing an auditor's report with a standard unqualified audit opinion.

Mr. Fang Heying as Chairman and executive director of the Bank (performing the duties of the President on an acting basis, in charge of finance and accounting work) and Mr. Kang Chao as the general manager of the Finance and Accounting Department of the Bank hereby declare and guarantee the truthfulness, accuracy and completeness of the financial report contained in the Bank's 2025 Annual Report.

Profit Distribution Plan: Chapter 3 "Corporate Governance – Profit and Dividend Distribution of Ordinary Shares" of this report discloses the Bank's Final Profit Distribution Plan for 2025 as reviewed and adopted by the Board of Directors and to be submitted to shareholder's meeting for deliberation. The plan proposes to pay a cash dividend of RMB1.93 per 10 shares (tax inclusive, the same below). With reference to the total of 55.645 billion A shares and H shares on the register as at 31 December 2025 of the Bank, the total amount of the final cash dividends for ordinary shares of the year 2025 shall be RMB10.740 billion, together with the paid out interim cash dividends of RMB10.461 billion (RMB1.88 per 10 shares), amounting to RMB21.201 billion (RMB3.81 per 10 shares) of cash dividends in the whole year. The Bank shall maintain the total amount of dividends unchanged and adjust the dividends per share when there is a change in the Bank's total shares before the register date. No scheme for the transfer of capital reserve to share capital will be applied for the current year.

Cautionary note on forward-looking statements: Forward-looking statements such as future plans and development strategies contained in this report do not constitute substantive commitments of the Bank to its investors. Investors and relevant persons are kindly reminded to maintain adequate risk awareness of such statements and understand the differences between plans, forecasts and commitments.

Material risk reminder: During the reporting period, the Bank was not aware of any material risk that would adversely affect its future development strategies and business targets. The Bank has disclosed in this report the major risks it is exposed to in its operation and management and the risk management and controls thereof. For relevant information thereof, please refer to the related parts in Chapter 2 "Management Discussion and Analysis" of this report.

For the purpose of this report, numbers are expressed in Renminbi (RMB) unless otherwise specified. This report is prepared in both Chinese and English. Shall there be discrepancy between the two versions, the Chinese version shall prevail.

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DEFINITIONS

Altyn Bank	JSC Altyn Bank
the reporting period	From 1 January 2025 to 31 December 2025
CSRC Beijing Bureau	Beijing Bureau of the China Securities Regulatory Commission
the Bank/China CITIC Bank/ CITIC Bank/CNCB	China CITIC Bank Corporation Limited
the Group	China CITIC Bank Corporation Limited and its subsidiaries
Huarong Financial Leasing	China Huarong Financial Leasing Co., Ltd.
NFRA	National Financial Regulatory Administration
Lin'an CITIC Rural Bank	Zhejiang Lin'an CITIC Rural Bank Limited
Quzhou Development	Quzhou Xin'an Development Co., Ltd. (formerly known as Xinhu Zhongbao Co., Ltd.)
SSE	Shanghai Stock Exchange
SEHK	The Stock Exchange of Hong Kong Limited
Hong Kong Listing Rules	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
CITIC Bank Financial Asset Investment	CITIC Bank Financial Asset Investment Co., Ltd.
CITIC Wealth Management	CITIC Wealth Management Corporation Limited
CNCB Investment	CNCB (Hong Kong) Investment Co., Ltd. (formerly known as China Investment and Finance Limited)
former CBIRC	Former China Banking and Insurance Regulatory Commission
former CBRC	Former China Banking Regulatory Commission
China Tobacco	China National Tobacco Corporation
CSRC	China Securities Regulatory Commission

CITIC aiBank	CITIC aiBank Corporation Limited
CITIC Limited	CITIC Limited (formerly known as CITIC Pacific Limited prior to renaming in August 2014)
CIAM	CITIC International Assets Management Limited
CIFH	CITIC International Financial Holdings Limited
CSC	CSC Financial Co., Ltd.
CITIC Financial Holdings	China CITIC Financial Holdings Co., Ltd.
CITIC Financial Leasing	CITIC Financial Leasing Co., Ltd.
CITIC Group	CITIC Group Corporation
CITIC Pacific	CITIC Pacific Limited
CNCBI	CITIC Bank International Limited (formerly known as CITIC Ka Wah Bank Limited)
CITIC Corporation Limited	CITIC Corporation Limited (formerly known as CITIC Limited prior to renaming in August 2014)
CITIC Securities	CITIC Securities Co., Ltd.

(Note: The definitions are arranged in alphabetical order of Mandarin Pinyin)

CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear shareholders,

In 2025, the Chinese economy forged ahead against headwinds and advanced steadily towards innovation-driven, high-quality development as the Chinese financial industry reshaped its landscape and nurtured new opportunities while navigating transformations and challenges. This year also marks a crucial year in CITIC Bank's endeavour to build itself as a bank of value. Our staff, totalling over 67,000, united as one, strove for excellence and responded to cyclical financial changes with solid action, making stable progress on the path of high-quality development.

In 2025, CITIC Bank's net profit exceeded RMB70 billion, a year-on-year increase of 3%; the non-performing loan ratio declined to 1.15% while the allowance coverage ratio remained steadily above 200%; total assets surpassed the RMB10 trillion milestone. Amid a complex and volatile market environment, our share price and total market capitalisation reached new highs. In addition, our MSCI ESG rating was raised by two levels from "A" to the highest "AAA". Moreover, CITIC Bank was honoured once again as "Bank of the Year China" by The Banker magazine.

These achievements and accolades have made the CITIC Bank brand shine even brighter, provided strong evidence of our balanced, steady, and sustainable growth logic, and further demonstrated our resilience in navigating cycles and our ever-growing composite strength.

This past year, we stayed focused on China's most fundamental interests and made significant strides in serving the real economy. Remaining true to our original aspiration and founding mission as a financial institution, we prioritised advancing the "Five Priorities" of technology finance, green finance, inclusive finance, pension finance, and digital finance, leveraging our strengths to serve national imperatives. In technology finance, in support of the national endeavour to achieve greater self-reliance and capacity in science and technology, we built a full-lifecycle service system and helped CITIC Group extend services to cover all national-level SMEs that use specialised and sophisticated technologies to produce novel and unique products and to cover manufacturing champion enterprises in single segments. In green finance, we fostered low-carbon development and established a green financial service ecosystem, providing for entire industrial chains, pushing the green loan balance to exceed RMB750 billion. In inclusive finance, with a focus on public well-being, we were deeply integrated into coordination mechanisms for financing micro and small enterprises, the balance of inclusive loans to such businesses surpassing RMB640 billion. In pension finance, we solidified our leading edge and continuously upgraded the "Happiness +" financial service system, with the loans to elderly-care industries doubling. The capacity of digital finance was released at an accelerated pace, as evidenced in remarkable progress in "AI+" and "data element x" and the launch of a variety of digital applications including the wealth management advisor "Xiao Xin". **This series of tangible outcomes has converged to create the "CITIC Model" of comprehensive financial services. They are the results of our service to the real economy and a vivid microcosm of financial development with Chinese characteristics.**

This past year, we maintained strategic resolve and achieved new milestones in continuing to build ourselves as a "Five Leading" bank. We consistently focused on enhancing our proficiency in wealth management, comprehensive financing, trading settlement, forex services, and digitalisation via more solid and forceful strides forward. The incremental retail assets under management (AUM) for the year reached the highest level in history, while the scale of corporate wealth management exceeded RMB300 billion. Driven by the synergy among commercial banking, investment banking, collaboration, and matchmaking, we maintained a leading position among peers in bond underwriting and capital markets. Our self-developed "Xiao Tianyuan" platform and "Tianyuan Treasury" system were deeply embedded in customer transaction scenarios. Cross-border loan balances exceeded RMB130 billion, and agency foreign exchange trading registered the highest growth in recent years. Tangible and impactful innovations such as "CITIC Easy Loan" were gradually introduced and promoted to empower business under different scenarios. Meanwhile, the advancement of the "Five Leading" strategy, bolstered by the unique merits of "CITIC Synergy", is accelerating momentum conversion. 37 branches and 8 affiliates all achieved business synergy with the subsidiaries of the CITIC Group. Key metrics, such as the scale of joint financing, grew rapidly, helping CITIC Group become the largest onshore direct financing service provider and comprehensive asset management institution. **From endogenous development to ecosystem co-creation, our capacity boundaries are continuously expanding, and the momentum for transformation and change is steadily accumulating and producing results, securing our comprehensive competitiveness firmly at the industry forefront.**

This past year, we upheld strict discipline and standards and built new and strong lines of defence in internal risk control. With a focus on ensuring both development and security, we systematically addressed five key areas: asset allocation, control of new risks and resolution for old ones, risk prevention, system optimisation, and empowerment for development, untiringly strengthening our foundation. The implementation of advanced approaches for capital measurement was steadily advanced, leading to improved risk control systems and capabilities; key indicators such as the "non-performing + special mention" loan ratio and overdue loan ratio continued to improve, and non-performing asset management remained stable and became more efficient; structural adjustments in key areas such as real estate and local government debt were carried out in an orderly manner, and the asset structure was gradually optimized. The proportion of credit facilities to actively supported industries and loans to strategic areas exceeded 60%. Our asset allocation aligned more closely with the priorities identified in national strategies. The impact of cyclical shocks was contained at relatively low levels. Behind these results lies our continuous refinement of system build-up in recent years. Our risk management system, featuring effective risk control and vigorous development promotion, permeates all areas; our dedicated approver system and integrated review, management, and inspection mechanism proved highly effective, guiding us to balance our goals in such dimensions as capital, risk, and value. **We fully recognise that asset quality is vital to a bank's survival and growth. Our aim has never been to run the fastest with a tailwind but to advance the steadiest when the winds are against us. This is our firmest commitment to shareholders and the truest expression of what it means to be a "bank of value".**

This past year, we stood at the forefront of technological innovation and propelled our technological capabilities to new heights. Confronting the global wave of fintech transformation, with forward-looking planning and steadfast investment, we consistently focused on both achieving "0 to 1" breakthroughs in foundational technology and creating "1 to 100" value, continuing to write a new chapter for building the Bank's strength in science and technology. After three years of preparation, our largest-ever system cluster construction project, "Galaxy", was successfully launched, reshaping the entire corporate credit business process. Our efficiency at realising the value of data assets significantly improved, earning us the nation's highest-level certification for data management capacity. We were honoured with the First Prize of the People's Bank of China's FinTech Development Award for the third time in five years. Through years of accumulated experience, our enterprise-level public capability system is now largely established and boasts several industry-leading technological innovations. Our pioneering spirit in fintech pays off at an accelerated pace in such areas as customer service, investment decisions, and risk prevention: AI-empowered large language models have been deployed in over 120 application scenarios, strongly boosting business efficiency; AI technology is employed to empower the development of quantitative strategies, pushing the automation rate for transaction quotation to exceed 80%; and technological achievements like the "blockchain+" and "rare Chinese character solutions" continuously provide capability outputs and set industry benchmarks. **From upgrading foundational architecture to integrating business scenarios, and from single-point technological breakthroughs to systemic capability output, we are driving the transformation and upgrades of our business and management with comprehensive technological innovation while contributing to the digital and smart development of China's banking industry.**

The journey over the past year has been extraordinary. We are profoundly aware that our achievements were built upon the staunch support of shareholders and the strong trust of customers. On behalf of the Board of Directors and all employees, I extend our highest expression of respect and heartfelt gratitude to friends from all sectors! We are committed to sharing our operating results with investors through concrete action. For 2025, we plan to increase the cash dividend to RMB21.2 billion, accounting for 31.75% of the net profit attributable to ordinary shareholders, setting new historical highs in both dividend amount and payout ratio.

Pioneering is demanding, but diligence and perseverance carry one far. The year 2025 marks the conclusion of China's 14th Five-Year Plan (2021-2025). In the past five years, as Chinese modernisation has taken new solid strides, the bank, too, has progressed step by step, reaching a new horizon in high-quality development: net profit achieved a "triple jump" of surpassing the threshold of RMB50 billion, RMB60 billion, and then RMB70 billion over five years. We are among the few joint-stock banks to achieve positive profit growth for five consecutive years, with cumulative net profit increasing over 40% compared to the 13th Five-Year Plan period. Our non-performing loan ratio has declined for seven consecutive years, and the allowance coverage ratio increased by 32 percentage points over five years. Having cleared historical burdens and kept incremental risks under control, we have successfully transitioned from the remediation and recovery phases to the "body-building" phase in comprehensive risk management. All customer segments have achieved effective growth: basic corporate accounts and effective corporate accounts increased by 80% and 75%, respectively, over five years, while individual customers grew by almost 40%, continuously solidifying our customer base. We have effectively navigated industry-wide pressure from narrowing net interest margins and adhered to a volume-price balance strategy, with our NIM changes outperforming the market. Our liability cost ratio has reached a level comparable to that of large state-owned banks,

steadily building up our cost-competitive strength. We rank first among joint-stock banks in terms of cumulative stock price and market capitalization growth, with total market capitalization nearly doubling. Over the past five years, we have returned nearly RMB89 billion to investors in cash dividends. We have maintained a first-tier standing in regulatory ratings among joint-stock banks, received rating upgrades from international agencies like Fitch and S&P, moved up two spots to 19th in the Top 500 Banking Brands ranking, and advanced six places to 18th in the Top 1000 World Banks by tier-one capital... Overall, CITIC Bank is at the forefront among joint-stock banks across key indicators, with historic progress in our core operating capabilities and brand standing.

The past five years have been a journey of resolute strides. Throughout, we have remained true to our original aspiration, kept pace with the times, and worked relentlessly to build a "bank of value". **With the Core Strengthening Initiative as our foundation, we have witnessed the blossoming of the "Smile Curve". Guided by the belief that "the higher we climb, the brighter the light", we have held fast to our course, and advancing with the conviction that "the further we go, the more brilliant the journey", we have forged ahead with determination. We will continue to go further with our commitment to action for steady, sustainable development.** Our persistent strategic focus and accumulated capabilities, built step by step, have converged into the confidence and composure for balanced, steady, and sustainable development. We have completed the transition from a phase of remediation and adjustment to one of competitive advancement, further painting a clear picture where short-term performance is achievable, medium-term growth is predictable, and long-term development is sustainable. Our commitment to high-quality development has solidified.

From this new starting point, where we have surpassed the threshold of RMB10 trillion in total assets and embarked on the new journey of the 15th Five-Year Plan, we clearly recognize that amidst profound changes in both internal and external landscapes, only by finding balance between upholding fundamental principles and breaking new ground, and by keeping our pace as we do so, can we consistently provide good answers to the questions of our era and truly build ourselves into a bank of value in multiple dimensions.

We will remain true to our original aspiration and uphold our fundamental principles while working to create value. We will firmly grasp the political and people-oriented nature of financial work, steadfastly build "a bank of value", and pursue higher-quality development while serving national strategies. We will shoulder the responsibility of serving the real economy, diligently advance the "Five Priorities" of finance, leverage our core functions as a state-owned financial enterprise, generate environmental, social, and economic benefits, and strive to create value in various dimensions. Building on our unique endowments, we will explore differentiated financial service pathways, construct a distinctive service system with professional capabilities to deliver caring financial services, truly become the preferred partner of customers, and forge unique value. Through cycle-resilient operations, we will coordinate efforts to achieve both short-term objectives and long-term development, deliver sustainable, long-term returns for shareholders, and be a staunch advocate of long-term value. This is our unwavering pursuit and simplest belief: no matter how the environment changes, we will stay true to our original aspiration of serving the real economy and stay committed to value creation, and we will never cease pursuing high-quality development.

We will refine our capabilities with perseverance and strive for excellence through strategic advancement. We will maintain strategic resolve, continue to implement the "Five Leading" bank strategy and the "342 Core Strengthening Initiative", and strive for excellence in the three key areas of wealth management, comprehensive financing, and investment & trading, while establishing leading advantages in the three areas of payment & settlement, cross-border services, and digitalisation. We firmly believe that only by discerning industry evolution trends and building differentiated core competencies in key areas can we break the deadlock of homogeneous competition and seize the strategic high ground for future development. We will double down for constant improvements in product design, customer experience, and ecosystem building, and gradually translate our strategic blueprint into measurable, tangible competitive strengths. We are convinced that the strategic foresight accumulated through timely adaptations and the strength gained in refinement in our core areas will ultimately accelerate CITIC Bank's high-quality development on the path to excellence.

We will journey far with confidence and shape the future through long-termism. Our confidence stems from an increasingly robust risk control and compliance culture. Our business philosophy of pursuing returns with risks filtered out and our preference for concession in profit to concessions in risks have evolved from management requirements into a bank-wide consensus. The prudent philosophy embedded in our operational fabric is translating into tangible results of steady development. Confidence also comes from our continuously refined capability system: the three-pillar business structure is becoming more balanced, capital and financial management is increasingly lean, and technology's driving role in business transformation is more pronounced. Our operational resilience continues to strengthen, and our ability to weather economic cycles further improves. Our sketch-outlining strategies are gradually materializing into the details-filling business execution. Confidence also, and uniquely, springs from our synergy endowments. The synergistic ecosystem of CITIC Group, integrating "finance + industry", grants us greater depth for developing comprehensive services and cross-sectoral innovation. All these factors collectively forge the powerful momentum and vitality for building a century-old institution, allowing us to continually reap the compound interest of time and enjoy even broader prospects through high-quality development.

Let us **remain true to our original aspiration, uphold our commitment, and embrace the future with confidence**. Standing at the start of the 15th Five-Year Plan period, let us forge ahead together with confidence and resolve, with courage and strength, toward the next magnificent five years!

Fang Heying
Chairman and executive director
20 March 2026

CHAPTER 1 CORPORATE INTRODUCTION

1.1 Corporate Information

Registered Name in Chinese	中信銀行股份有限公司 (abbreviated as "中信銀行")
Registered Name in English	CHINA CITIC BANK CORPORATION LIMITED (abbreviated as "CNCB")
Legal Representative	Fang Heying
Authorized Representative	Fang Heying, Zhang Qing
Secretary to the Board of Directors	Zhang Qing
Joint Company Secretaries	Zhang Qing, Cheung Yuet Fan (FCG, HKFCG)
Securities Representative of the Company	Wang Lei
Registered and Office Address[3]	6-30/F and 32-42/F, Building No. 1, 10 Guanghua Road, Chaoyang District, Beijing
Postal Code of the Registered and Office Address	100020
Official Website	www.citicbank.com
Telephone Number/Fax Number for Investors	+86-10-66638188/+86-10-65559255
Email Address for Investors	ir@citicbank.com
Customer Service and Complaint Hotline	95558
Principal Place of Business in Hong Kong	80/F., International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong

[3] The registered address of the Bank was changed from "Building C of Fuhua Building, No. 8 Chaoyangmen Beidajie, Dongcheng District, Beijing" to "No. 9 Chaoyangmen Beidajie, Dongcheng District, Beijing" in 2015 and to "6-30/F and 32-42/F, Building No. 1, 10 Guanghua Road, Chaoyang District, Beijing" in 2020.

Media for Information Disclosure	*China Securities Journal* (www.cs.com.cn) *Shanghai Securities News* (www.cnstock.com) *Securities Times* (www.stcn.com)
Websites for Information Disclosure	SSE website publishing A-share annual report: www.sse.com.cn SEHK website publishing H-share annual report: www.hkexnews.hk
Place Where Annual Reports Are Kept	Office of the Board of Directors of CITIC Bank, Building No.1, 10 Guanghua Road, Chaoyang District, Beijing
Legal Adviser as to PRC Laws	King & Wood
Legal Adviser as to Hong Kong Laws	Clifford Chance LLP
Domestic Auditor	KPMG Huazhen LLP 8th Floor, Office Building Tower 2, Oriental Plaza East, No. 1 East Chang An Avenue, Beijing, China (Postal code: 100738)
Domestic Signing CPAs	Jin Naiwen and Ye Hongming
Overseas Auditor	KPMG 8th Floor, Prince's Building, No. 10 Chater Road, Central, Hong Kong
China Overseas Signing CPA	Elise Wong (Wong Yuen Shan)
A-share Registrar	China Securities Depository and Clearing Corporation Limited Shanghai Branch 188 Yanggao South Road, China (Shanghai) Pilot Free Trade Zone
H-share Registrar	Computershare Hong Kong Investor Services Limited Shops 1712-1716, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

Listing Venue, Stock Name and Stock Code

A-share	Ordinary shares	SSE	CNCB	601998
	Preference shares	SSE	CITIC Excellent 1	360025
H-share	Ordinary shares	SEHK	CITIC Bank	0998

Constituent Stock of Major Indexes		SSE A Share Index, SSE 180 Index, Shanghai-Shenzhen 300 Index, CSI Bonus Index, CSI Bank Index, CSI Dividend Low Volatility Index, CSI 800 Index, CSI Hong Kong Connect Mainland Financials Index, FTSE China A50 Index, FTSE China 50 Index, MSCI China A Index, MSCI Emerging Markets Index	
Credit Ratings	Standard & Poor's	Long-term issuer credit rating	A-
		Short-term rating	A-2
		Outlook	Stable
	Moody's	Deposit rating	Baa2/P-2
		Baseline credit assessment	ba2
		Outlook	Stable
	Fitch Ratings	Default rating	BBB+
		Viability rating	bb–
		Outlook	Stable
	CCXI	Issuer rating	AAA
		Outlook	Stable
	Golden Credit Rating International	Issuer rating	AAA
		Outlook	Stable
	China Lianhe Credit Rating	Issuer rating	AAA
		Outlook	Stable

1.2 Contact Persons and Contact Details

Contact Information	**Secretary to the Board of Directors**	**Securities Representative**
Name	Zhang Qing	Wang Lei
Address	Building No. 1, 10 Guanghua Road, Chaoyang District, Beijing	Building No. 1, 10 Guanghua Road, Chaoyang District, Beijing
Telephone	+86-10-66638188	+86-10-66638188
Fax	+86-10-65559255	+86-10-65559255
Email Address	ir@citicbank.com	ir@citicbank.com

1.3 Honors and Awards

In March 2025, the Bank ranked 19th on the list of "Top 500 Banking Brands" by Brand Finance for a brand value of USD16.95 billion.

In May 2025, the Banked was awarded three gold awards, namely Asset Allocation, Investment and Research, and UHNW in the Best Private Bank category of the China Wealth Awards by *Asian Private Banker*.

In June 2025, the Bank received the Golden Bull Bank Award for Supporting Science and Technology Innovation from *China Securities Journal*. It was named Best Custodian Bank in China for Trust and Cross-border Services by *The Asian Banker*, and its "CITIC Interbank+" platform won the award of Best Financial Markets Technology Implementation in China.

In July 2025, the Bank ranked 18th on the list of "Top 1000 World Banks" in terms of tier-one capital by *The Banker*, a magazine of the United Kingdom.

In August 2025, the Bank was rated "Excellent" in the assessment of financial institutions' services for rural revitalization conducted by the PBOC and the NFRA. It won the Best Foreign Exchange Strategy Award and Best Quantitative Co-building Award at the London Stock Exchange Group's 2025 Financial Quantitative Innovation Competition.

In September 2025, the Bank's MSCI ESG Rating was upgraded to AAA, the best globally. It was named among the Top 100 Best ESG Practices of Chinese Listed Companies (Large-cap) in 2025 by Wind.

In November 2025, at the FinTech Development Awards organised by the PBOC, the Bank won first prize for its "Cloud-Native Financial-Grade Technology Middle Platform Framework Development (Cangqiong Project)", second prize for its "Large and small Models-enabled Dual-Engine Intelligent Risk Control", and third prizes for its "Comprehensive Upgrade Project of Big Data Core (Kunlun)", "Cangjie Large Model Project" and "Unified Multi-Architecture-based Financial-Grade Online Banking Security Component Service Platform". The "CITIC Easy Loan Digital and Intelligent Service" won the second prize in the national finals of the 2025 "Data Elements ×" Competition in the financial services category.

In December 2025, the Bank was named Bank of the Year China 2025 by *The Banker* and selected as a People's Craftsmanship Brand by people.cn. Its "New Paradigm of Financial Services for Rural Revitalization" was included in the "Innovative Practice Case for Building a Financial Powerhouse" initiative of people.cn.

1.4 Financial Highlights

1.4.1 Operating Performance

Unit: RMB million

Item	**2025**	2024	Growth rate *(%)*	2023
Operating income	**212,636**	213,223	(0.28)	205,570
Profit before tax	**84,043**	80,863	3.93	74,887
Net profit attributable to the equity holders of the Bank	**70,618**	68,576	2.98	67,016
Net cash flow from/(used in) operating activities	**443,082**	(181,032)	Negative in previous year	(918)
Per share				
Basic earnings per share *(RMB)*	**1.20**	1.22	(1.64)	1.27
Diluted earnings per share *(RMB)*	**1.20**	1.20	–	1.14
Net cash flows from/(used in) operating activities per share *(RMB)*	**7.96**	(3.33)	Negative in previous year	(0.02)

Unit: RMB million

	2025			
Item	**1st Quarter**	**2nd Quarter**	**3rd Quarter**	**4th Quarter**
Operating income	**51,614**	**53,812**	**50,836**	**56,374**
Net profit attributable to the equity holders of the Bank	**19,509**	**16,969**	**16,913**	**17,227**
Net cash flow from/(used in) operating activities	**37,993**	**(9,342)**	**181,786**	**232,645**

1.4.2 Profitability Indicators

Item	**2025**	2024	Increase/ (decrease) in percentage point	2023
Return on average assets (ROAA)[1]	**0.73%**	0.75%	(0.02)	0.77%
Return on average equity (ROAE, not including non-controlling equity)[2]	**9.49%**	9.92%	(0.43)	10.80%
Cost-to-income ratio (excluding tax and surcharges)[3]	**32.32%**	32.71%	(0.39)	32.61%
Credit cost[4]	**0.89%**	0.95%	(0.06)	0.93%
Net interest spread[5]	**1.60%**	1.71%	(0.11)	1.75%
Net interest margin[6]	**1.63%**	1.77%	(0.14)	1.78%

Notes: (1) Return on average assets (ROAA) = net profit/the average of the balances of total assets at the beginning and end of the period.

(2) Return on average equity (ROAE) = net profit attributable to the ordinary shareholders of the Bank/the average of total equity attributable to the ordinary shareholders of the Bank at the beginning and end of the period.

(3) Cost-to-income ratio = (operating expenses – tax and surcharges)/operating income.

(4) Credit cost = current-year accruals of allowance for impairment losses on loans and advances to customers/average balance of loans and advances to customers.

(5) Net interest spread = average yield of total interest-earning assets – average cost rate of total interest-bearing liabilities.

(6) Net interest margin = net interest income/average balance of total interest-earning assets.

1.4.3 Scale Indicators

Unit: RMB million

Item	**31 December 2025**	31 December 2024	Growth rate *(%)*	31 December 2023
Total assets	**10,131,028**	9,532,722	6.28	9,052,484
Total loans and advances to customers[(1)]	**5,862,172**	5,720,128	2.48	5,498,344
– Corporate loans	**3,293,205**	2,908,117	13.24	2,697,150
– Discounted bills	**202,169**	449,901	(55.06)	517,348
– Personal loans	**2,366,798**	2,362,110	0.20	2,283,846
Total liabilities	**9,283,398**	8,725,357	6.40	8,317,809
Total deposits from customers[(1)]	**6,049,275**	5,778,231	4.69	5,398,183
– Corporate demand deposits[(2)]	**2,069,377**	2,054,271	0.74	2,187,273
– Corporate time and call deposits	**2,185,649**	2,062,315	5.98	1,745,094
– Personal demand deposits	**473,380**	439,965	7.59	340,432
– Personal time and call deposits	**1,320,869**	1,221,680	8.12	1,125,384
Deposits from banks and non-bank financial institutions	**936,672**	968,492	(3.29)	927,887
Placements from banks and non-bank financial institutions	**159,013**	88,550	79.57	86,327
Total equity attributable to the equity holders of the Bank	**828,813**	789,264	5.01	717,222
Total equity attributable to the ordinary shareholders of the Bank	**723,865**	684,316	5.78	602,281
Net asset per share attributable to the ordinary shareholders of the Bank *(RMB)*	**13.01**	12.58	3.42	12.30

Notes: (1) As per the *Notice on Amending and Issuing the Formats of Financial Statements for Financial Enterprises for 2018* (Finance and Accounting [2018] No.36) issued by the Ministry of Finance (MOF), the interest of a financial instrument accrued according to the effective interest method should be included in the book balance of the corresponding financial instrument and reflected in relevant items of the balance sheet. The Group prepared the financial statements according to requirements in the above notice since 2018. For the convenience of analysis, "total loans and advances to customers" and "total deposits from customers" do not include relevant interest.

(2) Corporate demand deposits included demand deposits from corporate customers and outward remittance and remittance payables of corporate customers.

1.4.4 Asset Quality Indicators

Item	**31 December 2025**	31 December 2024	Increase/ (decrease) in percentage point	31 December 2023
NPL ratio[(1)]	**1.15%**	1.16%	(0.01)	1.18%
Allowance coverage ratio[(2)]	**203.61%**	209.43%	(5.82)	207.59%
Allowance for loan impairment losses to total loans[(3)]	**2.33%**	2.43%	(0.10)	2.45%

Notes: (1) NPL ratio = balance of non-performing loans (NPLs)/total loans and advances to customers.

(2) Allowance coverage ratio = balance of allowance for impairment losses on loans and advances to customers (excluding allowance for impairment losses on accrued interest)/balance of NPLs.

(3) The ratio of allowance for loan impairment losses to total loans = balance of allowance for impairment losses on loans and advances to customers (excluding allowance for impairment losses on accrued interest)/total loans and advances to customers.

1.4.5 Other Main Regulatory Indicators

Item *(note)*	Regulatory value	**31 December 2025**	31 December 2024	Increase/ (decrease) in percentage point	31 December 2023
Capital adequacy profile					
Core tier-one capital adequacy ratio	≥8.00%	**9.48%**	9.72%	(0.24)	8.99%
Tier-one capital adequacy ratio	≥9.00%	**10.90%**	11.26%	(0.36)	10.75%
Capital adequacy ratio	≥11.00%	**12.80%**	13.36%	(0.56)	12.93%
Leverage profile					
Leverage ratio	≥4.25%	**7.09%**	7.06%	0.03	6.66%
Liquidity risk profile					
Liquidity coverage ratio	≥100%	**144.22%**	218.13%	(73.91)	167.48%
Liquidity ratio					
Including: Local and foreign currencies	≥25%	**67.01%**	72.08%	(5.07)	52.79%
Renminbi	≥25%	**68.47%**	73.47%	(5.00)	52.00%
Foreign currencies	≥25%	**62.28%**	67.23%	(4.95)	64.83%

Note: The figures in the table were calculated in accordance with the consolidation standards of the NFRA.

1.4.6 Differences between IFRS and PRC Accounting Standards

There is no difference between the 2025 year-end net assets and the net profit of 2025 of the Group calculated according to the PRC Accounting Standards and those calculated according to the International Financial Reporting Standards (IFRS) Accounting Standards.

1.4.7 Five-Year Financial Summary

Unit: RMB million

Item	**2025**	2024	2023	2022	2021
Operating performance					
Operating income	**212,636**	213,223	205,570	211,109	204,554
Profit before tax	**84,043**	80,863	74,887	73,416	65,517
Net profit attributable to the equity holders of the Bank	**70,618**	68,576	67,016	62,103	55,641
Net cash flow from/(used in) operating activities	**443,082**	(181,032)	(918)	195,066	(75,394)
Per share					
Basic earnings per share *(RMB)*	**1.20**	1.22	1.27	1.17	1.08
Diluted earnings per share *(RMB)*	**1.20**	1.20	1.14	1.06	0.98
Net cash flows from/(used in) operating activities per share *(RMB)*	**7.96**	(3.33)	(0.02)	3.99	(1.54)
Scale indicators					
Total assets	**10,131,028**	9,532,722	9,052,484	8,547,543	8,042,884
Total loans and advances to customers	**5,862,172**	5,720,128	5,498,344	5,152,772	4,855,969
Total liabilities	**9,283,398**	8,725,357	8,317,809	7,861,713	7,400,258
Total deposits from customers	**6,049,275**	5,778,231	5,398,183	5,099,348	4,736,584
Total equity attributable to the equity holders of the Bank	**828,813**	789,264	717,222	665,418	626,303
Total equity attributable to the ordinary shareholders of the Bank	**723,865**	684,316	602,281	550,477	511,362
Net asset per share attributable to the ordinary shareholders of the Bank *(RMB)*	**13.01**	12.58	12.30	11.25	10.45
Profitability indicators					
Return on average assets (ROAA)	**0.73%**	0.75%	0.77%	0.76%	0.72%
Return on average equity (ROAE)	**9.49%**	9.92%	10.80%	10.80%	10.73%
Cost-to-income ratio (excluding tax and surcharges)	**32.32%**	32.71%	32.61%	30.66%	29.34%
Credit cost	**0.89%**	0.95%	0.93%	1.12%	1.08%
Net interest spread	**1.60%**	1.71%	1.75%	1.92%	1.99%
Net interest margin	**1.63%**	1.77%	1.78%	1.97%	2.05%
Asset quality indicators					
NPL ratio	**1.15%**	1.16%	1.18%	1.27%	1.39%
Allowance coverage ratio	**203.61%**	209.43%	207.59%	201.19%	180.07%
Allowance for loan impairment losses to total loans	**2.33%**	2.43%	2.45%	2.55%	2.50%
Capital adequacy ratios					
Core tier-one capital adequacy ratio	**9.48%**	9.72%	8.99%	8.74%	8.85%
Tier-one capital adequacy ratio	**10.90%**	11.26%	10.75%	10.63%	10.88%
Capital adequacy ratio	**12.80%**	13.36%	12.93%	13.18%	13.53%

CHAPTER 2 MANAGEMENT DISCUSSION AND ANALYSIS

2.1 Industry Overview of the Company

The year 2025 marks the conclusion of the 14th Five-Year Plan and is also a year of great significance in advancing Chinese modernization. In the face of the complex and severe situation of a rapidly changing external environment and mounting domestic challenges, China adopted more proactive and effective macroeconomic policies. The economy advanced under pressure while moving toward new and higher-quality growth. Major anticipated targets were successfully achieved, the 14th Five-Year Plan was brought to a successful conclusion, and a good start was made on the new journey toward the second centenary goal. In 2025, GDP exceeded RMB140 trillion for the first time, representing a year-on-year increase of 5.0%. Final consumption expenditure, gross capital formation, and net exports of goods and services contributed 52.0%, 15.3%, and 32.7%, respectively, to economic growth. New breakthroughs were achieved in innovative development, and new strides were made in reform and opening-up. Green transformation took on a fresh look, improvements in people's livelihoods were realized, and progress was made in ensuring safety and security.

More proactive fiscal policies were implemented. A package of policies was adopted to maintain strong fiscal expenditure. Greater support was provided to implement major national strategies and enhance security capacity in key areas, as well as to advance large-scale equipment upgrades and consumer goods trade-in programs, thereby stimulating consumption potential on both the supply and demand sides. Efforts were focused on high-quality development with precision to continuously strengthen people's well-being. Risks in key areas were actively mitigated, full-process management of existing hidden debt swaps was strengthened, orderly clearance and substantive transformation of financing platforms were promoted by category, and basic living needs, salaries and government function at the primary level were firmly secured. Fiscal and taxation reforms were deepened and fiscal management was strengthened with new achievements made in fiscal work. These efforts played an important role in achieving the annual economic and social development goals.

Moderately accommodative monetary policies were implemented. Building on the effective implementation of existing monetary policies, a new package of monetary policies and measures was promptly introduced to make comprehensive use of tools such as reductions in the required reserve ratio and open market operations to maintain ample liquidity. Policy interest rates, interest rates on structural monetary policy instruments, and personal housing provident fund loan rates were lowered to help reduce comprehensive social financing costs. The policy framework, statistics, and evaluation systems for the "Five Priorities" in finance were strengthened. Financial markets remained stable, financial risks in key areas continued to be contained, high-level open up steadily expanded, and the level of financial management and services was further enhanced. These efforts created a favorable monetary and financial environment for stable economic growth and high-quality development.

Regulatory policies supported the high-quality development of the banking industry. The bottom line of guarding against systemic financial risks was firmly upheld, key risks were effectively and orderly mitigated, and major progress was made in the reform of small and medium-sized financial institutions and their risk mitigation. The urban real estate financing coordination mechanism was expanded and made more effective, and active support was provided for the renewal, replacement, and restructuring of operational financial debts of financing platforms. Efforts were made to further enhance and implement the financing coordination mechanism for small and micro enterprises. The rule of law for financial regulation was strengthened at a faster pace, and an atmosphere of stringent and rigorous regulation gradually took shape. Comprehensive measures were adopted to guide industry reform and transformation, with intensified efforts to improve the quality and efficiency of the banking sector.

In 2025, the banking industry continued to strengthen its ability to serve the real economy, saw growth in total assets, with overall stable asset quality and strong risk offsetting ability. As at the end of 2025, China's financial institutions in the banking industry had total assets in domestic and foreign currency of RMB480 trillion, an increase of 8.0% over the end of the previous year. The net profits of commercial banks (legal person statistics) the year amounted to RMB2.4 trillion. Non-performing loans (NPLs) of commercial banks stood at RMB3.5 trillion, with the NPL ratio being 1.50%. The allowance coverage ratio posted 205.21%, and the capital adequacy ratio of commercial banks (foreign banks' branches in China not included) was 15.46%.

2.2 Main Business of the Company

Relying on the comprehensive resources of CITIC Group in terms of "Finance + Real Economy", the Bank, with the vision to become a bank with "Four Features" and one of the world's first-class banks, upholds honesty and trustworthiness and pursues benefits through righteous means, steadiness and prudence, integrity and innovation, and legal compliance. Being customer-centric, the Bank works to create a distinctive and differentiated model for financial services by implementing the "Five Leading" strategy. For government and institutional customers, corporate customers and inter-bank market customers, the Bank offers integrated financial solutions in corporate banking business, investment banking business, international business, transaction banking business, custody business and financial markets business. For individual customers, the Bank provides diversified financial products and services related to wealth management, personal credit, credit cards, private banking, pension finance and going abroad finance, etc. As such, the Bank satisfies the needs of government and institutional, corporate, inter-bank market and individual customers for comprehensive financial services on all fronts. For details about the Bank's business during the reporting period, please refer to the section "Business Overview" in this chapter.

2.3 Core Competitiveness Analysis

Standardized and efficient corporate governance. The Bank made great headway in boosting the building of a modern enterprise with Chinese characteristics, and persisted in the "Two Consistent Adherence"[4]. It has always adhered to standardized, science-based and effective management and constantly improved its corporate governance and business operation systems and mechanisms, forming an organizational structure characterized by efficient management and professional division of duties. With reference to the theory and practice of modern bank development and considering the requirements for Party building, the Bank set up a corporate governance framework comprised of the Board of Directors, the shareholders' meeting and the senior management, and integrated overall Party leadership into its corporate governance. According to the principle of separating the front, middle and back offices, the Bank established a matrix management model with the Head Office departments as the lines and the branches and sub-branches as the arrays. The governing bodies of the Bank, such as the shareholders' meeting, the Board of Directors, and the senior management, functioned according to rules and performed duties effectively.

Significant edges in synergy. Giving full play to the CITIC Group's advantages of "all financial licenses and wide coverage of industries" and following the development principle of "One CITIC, One Customer", the Bank intensified efforts in Group-wide collaboration and Bank-wide collaboration, drove the in-depth integration of collaboration in business development and customer management, built featured coordinated service scenarios for the "Five Priorities" in finance, capital markets, cross-border finance, wealth management and risk resolution, and continuously expanded the coordination ecosystems, hence providing customers with one-stop, customized, multi-scenario and full-lifecycle professional and comprehensive financial services, and enhancing the quality and efficiency of financial services for the real economy comprehensively.

Vigorous explorations and innovations. As China's first commercial bank participating in financing at both domestic and international financial markets, the Bank is renowned at home and abroad for brushing numerous track records in the modern Chinese financial history. It has the genes of innovation and drives its development through innovation as well. The Bank has carried forward the CITIC style of exploration and innovation. It further boosted innovation in products and services, and gained unique competitive advantages in businesses such as investment banking, cross-border business, transaction settlement, auto finance, wealth management, going abroad finance, pension finance, and the forex market making.

[4] Must adhere to the Party leadership over state-owned enterprises as a significant political principle and must adhere to the establishment of a modern enterprise system as the direction of the reform of state-owned enterprises.

Effective risk prevention and control. The Bank continued to improve the risk management system in which risks can be put under control and development can be boosted, and enhanced the quality and efficiency of risk management. It strengthened comprehensive risk management and effectively transmitted sound risk appetite. It pushed forward the combination of the Five Policies[5] in depth. Focusing on national policy orientation and evolving trends, it strengthened industry research, adjusted credit policies in a timely manner, and guided credit granting to advance or withdraw in a more targeted manner. With consistent efforts in controlling new risks and resolving existing ones, the Bank strengthened the management of customer access and proactive post-lending and post-investment, managed the asset quality in a forward-looking manner, resolved risk projects prudently, and enhanced the value contribution of recovery and disposal efforts. Meanwhile, the Bank advanced digital risk control to elevate technology-driven safeguards and AI-powered control capabilities.

All-around empowerment by financial technology. Adhering to technology empowerment and innovation as a core driving force, the Bank comprehensively empowered business development and strove to be a top technology-driven bank. The Bank comprehensively enhanced the competitiveness of its products and services, and drove the digital transformation of its management, operation, and operating models. A cloud-native technology and capability system was established, and innovative applications of technologies such as AI, big data, and blockchain were deeply embedded across all business areas. The Bank's overall financial technology empowerment capabilities were significantly strengthened, making it a key productive force and driving force for its development.

Fostering corporate culture as a solid foundation for development. The Bank thoroughly studied and implemented Xi Jinping Thought on Culture, upheld the political and people-centered nature of financial work, and actively fostered a financial culture with Chinese characteristics. Through an integrated approach in both principle and practice, the requirements of the "Five Dos and Five Don'ts" were deeply embedded into business development and operational practices, guiding all employees to establish a sound perspective on political performance, business performance, operations, and risk management. The Bank carried forward CITIC's excellent corporate culture, vigorously upheld fine work conduct, and gave full play to the role of cultural values in guiding direction, shaping conduct, nurturing talent, and driving development. This has laid a solid foundation and provided strong cultural support for the Bank to rank among the leading places among world-class banks.

Professional and brilliant talent team. The Bank firmly upheld the idea of "talents are the primary resource", and vigorously promoted a talent philosophy of "uniting men in progression, inspiring men of action, and empowering men with achievements". With a clear focus on competence and value contribution, it systematically advanced Bank-wide human resources management reform, comprehensively optimized the position system, evaluation system, and remuneration system, thereby revitalizing the organization, incentivizing talent, and enhancing effectiveness at a deeper level. The Bank continued to improve the talent work mechanism conducive to its strategy, development and transformation, and successfully concluded the *14th Five-Year Plan for Talent Development of China CITIC Bank*. Talent allocation was strengthened in key regions and areas, and the "Sailing a Hundred Ships" talent program was upgraded. As a result, more outstanding professionals emerged across various fields, and continuous efforts were made to optimize the mechanism to cultivate talents, with a focus on making the mechanism more systematic, targeted and effective, to establish a strong cadre and talent team to support the effective implementation of the "Five Priorities" in finance and the Bank's "Five Leading" strategy.

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[5] The "Five Policies" refer to industry research, credit policies, check and approval standards (guidelines), marketing guidelines, and evaluation and resource allocation.

Brand premise deeply rooted among the people. The Bank has always been committed to serving the CPC and national overall planning, put into practice the new development philosophy, and built a high-quality financial brand. Over the three years since the brand renewal, the brand premise "the more we care, the more you gain" has become the most resilient feature underpinning the Bank's high-quality development. During the reporting period, the Bank formulated the *2025 Branding Plan of China CITIC Bank* and embedded the brand philosophy of "authenticity, responsibility, and excellence" throughout the entire process. Upholding the political and people-centered orientation of financial work, the Bank actively advanced the "Five Priorities" in finance, held the third "CITIC • New" brand forum, and launched the "CITIC Bank in Every Moment of Life" consumption-themed campaign to align media outreach with business development. Guided by the principle of finance for good, the Bank supported the national carbon peaking and carbon neutrality strategy, practiced the philosophy that lucid waters and lush mountains are invaluable assets, and rolled out the "Honoring Low-Carbon Commitment in Every Kilowatt-hour" green finance campaign. It integrated fine traditional Chinese culture, organized the "Letters from the Future" IP-based integrated brand marketing campaign across 25 cities nationwide, sponsored the China Open for 19 consecutive years, and launched a four-season brand communication series. These measures further consolidated brand assets, helping the brand resonate closely with the public. During the reporting period, the Bank was honored with the "Bank of the Year China 2025" award by *The Banker* magazine of the United Kingdom and continued to rank 19th among the "Top 500 Banking Brands in 2025" by Brand Finance. Its brand value recorded more growth than any other peers in the Chinese mainland.

2.4 Overview of the Operating Results

In 2025, in the face of a complex environment marked by mounting external pressures and increasing internal challenges, the Group resolutely implemented the decisions and plans of the CPC Central Committee and the State Council, as well as regulatory requirements. Guided by the vision of becoming a value bank, the Group advanced the building of a "Five Leading" bank in depth, consistently adhered to the "Four Operation Themes", and actively implemented cost management requirements. Overall, the Group maintained a balanced, steady, and sustainable momentum for high-quality development.

Net profit increased steadily, and total profit reached a new level. During the reporting period, the Group realized RMB70.618 billion of net profit attributable to the equity holders of the Bank, up by 2.98% over the previous year. The Group realized RMB212.636 billion in operating income, a decrease of 0.28% compared with the previous year. Specifically, net interest income registered RMB144.469 billion, down by 1.51% compared with last year; net non-interest income posted RMB68.167 billion, up by 2.44% compared with the previous year.

Asset quality remained stable, and the NPL ratio continued to decline. As at the end of the reporting period, the NPL balance of the Group recorded RMB67.216 billion, an increase of RMB731 million or 1.10% over the end of the previous year, corresponding to an NPL ratio of 1.15%, down by 0.01 percentage points over the end of the previous year. The Group's allowance coverage ratio stood at 203.61%, a decrease of 5.82 percentage points over the end of the previous year.

Assets and liabilities grew at a reasonable pace, and new breakthroughs were made in business development. As at the end of the reporting period, the Group's total assets exceeded the RMB10 trillion threshold for the first time, reaching RMB10,131.028 billion, an increase of 6.28% over the end of the previous year; its total loans and advances to customers stood at RMB5,862.172 billion, a growth of 2.48% over the end of the previous year; and its total deposits from customers recorded RMB6,049.275 billion, marking a 4.69% increase from the end of last year. During the reporting period, the Group stepped up targeted support for the real economy, with loan growth in key sectors significantly outpacing the overall growth rate of loans.

2.5 Analysis of the Financial Statements

2.5.1 Income Statement Analysis

During the reporting period, the Group realized RMB70.618 billion net profit attributable to the equity holders of the Bank, up by 2.98% over last year. The table below sets out the changes in the main items of the Group's income statement during the reporting period.

Unit: RMB million

Item	**2025**	2024	Increase/ (decrease)	Growth rate (%)
Operating income	**212,636**	213,223	(587)	(0.28)
– Net interest income	**144,469**	146,679	(2,210)	(1.51)
– Net non-interest income	**68,167**	66,544	1,623	2.44
Operating expenses	**(70,880)**	(71,938)	1,058	(1.47)
Credit and other asset impairment losses	**(58,172)**	(61,113)	2,941	(4.81)
Profit before tax	**84,043**	80,863	3,180	3.93
Income tax	**(12,553)**	(11,395)	(1,158)	10.16
Profit for the year	**71,490**	69,468	2,022	2.91
Including: Net profit attributable to the equity holders of the Bank	**70,618**	68,576	2,042	2.98

2.5.1.1 Operating Income

During the reporting period, the Group realized operating income of RMB212.636 billion, a decrease of 0.28% over the previous year, of which net interest income accounted for 67.9%, down by 0.9 percentage points from the previous year, and net non-interest income accounted for 32.1%, up by 0.9 percentage points over the previous year.

Unit: %

Item	**2025**	2024
Share of net interest income	**67.9**	68.8
Share of net non-interest income	**32.1**	31.2
Total	**100.0**	100.0

2.5.1.2 Net Interest Income

During the reporting period, the Group realized RMB144.469 billion of net interest income, a decrease of RMB2.210 billion or 1.51% over the previous year. The table below sets out the average balances and average interest rates of the Group's interest-earning assets and interest-bearing liabilities, of which the average balances of assets and liabilities are average daily balances.

Unit: RMB million

Item	**2025**			2024		
	Average balance	**Interest**	**Average yield/cost rate *(%)***	Average balance	Interest	Average yield/cost rate *(%)*
Interest-earning assets						
Loans and advances to customers	**5,762,800**	**211,604**	**3.67**	5,569,970	235,922	4.24
Financial investments[(1)]	**2,099,665**	**53,810**	**2.56**	1,894,259	54,491	2.88
Deposits with central banks	**339,042**	**5,456**	**1.61**	358,348	5,842	1.63
Deposits and placements with, and loans to banks and non-bank financial institutions	**586,378**	**12,613**	**2.15**	416,681	12,261	2.94
Financial assets held under resale agreements	**68,341**	**1,105**	**1.62**	70,587	1,275	1.81
Subtotal	**8,856,226**	**284,588**	**3.21**	8,309,845	309,791	3.73
Interest-bearing liabilities						
Deposits from customers	**5,896,958**	**89,506**	**1.52**	5,509,436	103,975	1.89
Deposits and placements from banks and non-bank financial institutions	**977,053**	**15,097**	**1.55**	974,115	20,511	2.11
Debt securities issued	**1,310,826**	**26,121**	**1.99**	1,139,248	27,608	2.42
Borrowings from central banks	**138,715**	**2,641**	**1.90**	256,576	6,367	2.48
Financial assets sold under repurchase agreements	**353,401**	**6,294**	**1.78**	197,850	4,148	2.10
Others	**15,076**	**460**	**3.05**	11,752	503	4.28
Subtotal	**8,692,029**	**140,119**	**1.61**	8,088,977	163,112	2.02
Net interest income		**144,469**			146,679	
Net interest spread[(2)]			**1.60**			1.71
Net interest margin[(3)]			**1.63**			1.77

Notes: (1) Financial investments included financial investments measured at amortized cost and financial investments measured at fair value through other comprehensive income.

(2) Net interest spread = average yield of total interest-earning assets – average cost rate of total interest-bearing liabilities.

(3) Net interest margin = net interest income/average balance of total interest-earning assets.

The table below sets out the changes in the Group's net interest income resulting from changes in the scale and interest rate factors:

Unit: RMB million

Item	2025 compared with 2024 Scale factor	Interest rate factor	Total
Assets			
Loans and advances to customers	8,176	(32,494)	(24,318)
Financial Investments	5,916	(6,597)	(681)
Deposits with central banks	(315)	(71)	(386)
Deposits and placements with, and loans to banks and non-bank financial institutions	4,989	(4,637)	352
Financial assets held under resale agreements	(41)	(129)	(170)
Changes in interest income	18,725	(43,928)	(25,203)
Liabilities			
Deposits from customers	7,324	(21,793)	(14,469)
Deposits and placements from banks and non-bank financial institutions	62	(5,476)	(5,414)
Debt securities issued	4,152	(5,639)	(1,487)
Borrowings from central banks	(2,923)	(803)	(3,726)
Financial assets sold under repurchase agreements	3,267	(1,121)	2,146
Others	142	(185)	(43)
Changes in interest expense	12,024	(35,017)	(22,993)
Changes in net interest income	6,701	(8,911)	(2,210)

Net Interest Margin and Net Interest Spread

During the reporting period, the Group's net interest margin and net interest spread registered 1.63% and 1.60%, respectively, representing a decrease of 0.14 percentage points and 0.11 percentage points over the previous year. The Group's yield of interest-earning assets was 3.21%, down by 0.52 percentage points over the previous year; the cost rate of interest-bearing liabilities was 1.61%, down by 0.41 percentage points over the previous year. In the face of industry-wide pressure from narrowing net interest margins, the Group adhered to a management strategy of balancing volume and pricing. The Bank maintained reasonable growth in the scale of assets and liabilities, continuously optimized the asset and liability structure and intensified efforts on both the asset and liability sides to consolidate its strengths in net interest margin.

2.5.1.3 Interest Income

During the reporting period, the Group realized an interest income of RMB284.588 billion, a decrease of RMB25.203 billion or 8.14% over last year. The decrease was mainly due to the decline in the yield of interest-earning assets. The proportion of interest income from loans and advances to customers, interest income from financial investments, interest income from deposits with central banks, interest income from deposits and placements with, and loans to banks and non-bank financial institutions, and interest income from financial assets held under resale agreements was 74.35%, 18.91%, 1.92%, 4.43% and 0.39%, respectively. Interest income from loans and advances to customers was the main component of interest income.

Interest Income from Loans and Advances

During the reporting period, the Group recorded RMB211.604 billion interest income from loans and advances to customers, a drop of RMB24.318 billion or 10.31% over the previous year, primarily attributable to a decline of 0.57 percentage points in the average yield of loans and advances to customers, which offset the effects from a rise of RMB192.830 billion in the average balance. Specifically, the average balance of corporate loans increased by RMB295.688 billion, and interest income went down by RMB6.308 billion; the average balance of personal loans increased by RMB31.205 billion, and interest income went down by RMB15.376 billion.

Classification by Maturity Structure

Unit: RMB million

	2025			2024		
Item	**Average balance**	**Interest income**	**Average yield *(%)***	Average balance	Interest Income	Average yield *(%)*
Short-term loans	**1,752,810**	**74,117**	**4.23**	1,825,130	83,666	4.58
Medium to long-term loans	**4,009,990**	**137,487**	**3.43**	3,744,840	152,256	4.07
Total	**5,762,800**	**211,604**	**3.67**	5,569,970	235,922	4.24

Classification by Business

Unit: RMB million

	2025			2024		
Item	**Average balance**	**Interest income**	**Average yield *(%)***	Average balance	Interest Income	Average yield *(%)*
Corporate loans	**3,161,448**	**111,768**	**3.54**	2,865,760	118,076	4.12
Personal loans	**2,337,541**	**96,954**	**4.15**	2,306,336	112,330	4.87
Discounted loans	**263,811**	**2,882**	**1.09**	397,874	5,516	1.39
Total	**5,762,800**	**211,604**	**3.67**	5,569,970	235,922	4.24

Interest Income from Financial Investments

During the reporting period, the Group's interest income from financial investments amounted to RMB53.810 billion, a decrease of RMB681 million or 1.25% over the previous year, mainly attributable to a fall of 0.32 percentage points in the average yield of financial investments, which offset the effects from an increase of RMB205.406 billion in the average balance.

Interest Income from Deposits with Central Banks

During the reporting period, the Group's interest income from deposits with central banks stood at RMB5.456 billion, a decrease of RMB386 million or 6.61% over the previous year, mainly due to a decrease in the average balance of deposits with central banks.

Interest Income from Deposits and Placements with, and Loans to Banks and Non-bank Financial Institutions

During the reporting period, the Group's interest income from deposits and placements with, and loans to banks and non-bank financial institutions was RMB12.613 billion, an increase of RMB352 million or 2.87% over the previous year, mainly due to an increase of RMB169.697 billion in the average balance of deposits and placements with, and loans to banks and non-bank financial institutions, which offset the effects from a fall of 0.79 percentage points in the average yield.

Interest Income from Financial Assets Held under Resale Agreements

During the reporting period, the Group recorded RMB1.105 billion interest income from financial assets held under resale agreements, a decrease of RMB170 million or 13.33% over the previous year, mainly attributable to a decrease of RMB2.246 billion in the average balance of financial assets held under resale agreements and a decrease of 0.19 percentage points in the average yield.

2.5.1.4 Interest Expense

During the reporting period, the Group's interest expense was RMB140.119 billion, a decrease of RMB22.993 billion or 14.10% over the previous year. Interest expense decreased primarily because of a drop in the cost rate of interest-bearing liabilities.

Interest Expense on Deposits from Customers

During the reporting period, the Group's interest expense on deposits from customers was RMB89.506 billion, a decrease of RMB14.469 billion or 13.92% over the previous year, mainly due to a drop of 0.37 percentage points in the average cost rate of deposits from customers, which offset the effects from an increase of RMB387.522 billion in the average balance.

Unit: RMB million

Item	2025 Average balance	2025 Interest expense	2025 Average cost rate (%)	2024 Average balance	2024 Interest expense	2024 Average cost rate (%)
Corporate deposits						
Time and call deposits	**2,238,380**	**47,269**	**2.11**	1,904,464	48,403	2.54
Demand deposits	**1,920,934**	**10,985**	**0.57**	2,066,827	21,768	1.05
Subtotal	**4,159,314**	**58,254**	**1.40**	3,971,291	70,171	1.77
Personal deposits						
Time and call deposits	**1,290,549**	**30,744**	**2.38**	1,150,600	32,891	2.86
Demand deposits	**447,095**	**508**	**0.11**	387,545	913	0.24
Subtotal	**1,737,644**	**31,252**	**1.80**	1,538,145	33,804	2.20
Total	**5,896,958**	**89,506**	**1.52**	5,509,436	103,975	1.89

Interest Expense on Deposits and Placements from Banks and Non-Bank Financial Institutions

During the reporting period, the Group's interest expense on deposits and placements from banks and non-bank financial institutions amounted to RMB15.097 billion, a decrease of RMB5.414 billion or 26.40% over the previous year, mainly due to a drop of 0.56 percentage points in the average cost rate of deposits and placements from banks and non-bank financial institutions.

Interest Expense on Debt Certificates Issued

During the reporting period, the Group's interest expense on debt certificates issued stood at RMB26.121 billion, a decrease of RMB1.487 billion or 5.39% over the previous year, primarily due to a drop of 0.43 percentage points in the average cost rate of debt certificates issued, which offset the effects from a rise of RMB171.578 billion in the average balance.

Interest Expense on Borrowings from Central Banks

During the reporting period, the Group's interest expense on borrowings from central banks reached RMB2.641 billion, a decrease of RMB3.726 billion or 58.52% over the previous year, mainly due to a drop of RMB117.861 billion in the average balance of borrowings from central banks and a decrease of 0.58 percentage points in the average cost rate.

Interest Expense on Financial Assets Sold under Repurchase Agreements

During the reporting period, the Group's interest expense on financial assets sold under repurchase agreements was RMB6.294 billion, an increase of RMB2.146 billion or 51.74% over the previous year, primarily due to an increase of RMB155.551 billion in the average balance of financial assets sold under repurchase agreements, which offset the effects from a decrease of 0.32 percentage points in the average cost rate.

Other Interest Expenses

During the reporting period, the Group's other interest expenses stood at RMB460 million, a drop of RMB43 million over the previous year.

2.5.1.5 Net Non-interest Income

During the reporting period, the Group realized RMB68.167 billion of net non-interest income, an increase of RMB1.623 billion or 2.44% over the previous year. The proportion of net non-interest income stood at 32.06%, a rise of 0.85 percentage points over the previous year.

Unit: RMB million

Item	**2025**	2024	Increase/ (decrease)	Growth *(%)*
Net fee and commission income	**32,772**	31,040	1,732	5.58
Net trading gain	**5,603**	6,831	(1,228)	(17.98)
Net gain from investment securities	**25,286**	27,111	(1,825)	(6.73)
Net hedging gain	**–**	2	(2)	(100.00)
Other net operating income	**4,506**	1,560	2,946	188.85
Total	**68,167**	66,544	1,623	2.44

2.5.1.6 Net Fee and Commission Income

During the reporting period, the Group realized net fee and commission income of RMB32.772 billion, an increase of RMB1.732 billion or 5.58% over the previous year, which accounted for 15.41% of the operating income, up by 0.85 percentage points over the previous year. Among these, wealth management business fees went up by RMB1.909 billion or 45.17% over the previous year; agency fees rose by RMB1.234 billion or 24.77% over the previous year; settlement and clearing fees increased by RMB358 million or 14.46% over the previous year; custodian and other fiduciary businesses fees increased by RMB295 million or 8.25% over last year; guarantee and consulting fees increased by RMB234 million or 4.68% over the previous year; and bank card fees decreased by RMB1.596 billion or 10.26% over last year. Please refer to "Non-interest Income" in this chapter for analysis of reasons for changes in net fee and commission income.

Unit: RMB million

Item	**2025**	2024	Increase/ (decrease)	Growth *(%)*
Bank card fees	**13,961**	15,557	(1,596)	(10.26)
Wealth management business fees	**6,135**	4,226	1,909	45.17
Custodian and other fiduciary business fees	**3,870**	3,575	295	8.25
Agency fees	**6,215**	4,981	1,234	24.77
Guarantee and consulting fees	**5,231**	4,997	234	4.68
Settlement and clearing fees	**2,834**	2,476	358	14.46
Other fees	**187**	159	28	17.61
Subtotal of fees and commissions	**38,433**	35,971	2,462	6.84
Fee and commission expenses	**(5,661)**	(4,931)	(730)	14.80
Net fee and commission income	**32,772**	31,040	1,732	5.58

2.5.1.7 Net Trading Gain and Net Gain from Investment Securities

During the reporting period, the Group's net trading gain and net gain from investment securities registered a combined amount of RMB30.889 billion, a decrease of RMB3.053 billion over the previous year, mainly due to capital market volatility and the high base effect in the previous year.

2.5.1.8 Operating Expenses

During the reporting period, the Group incurred RMB70.880 billion of operating expenses, a decrease of RMB1.058 billion or 1.47% over the previous year. During the reporting period, the cost-to-income ratio (after deducting tax and surcharges) of the Group stood at 32.32%, down by 0.39 percentage points over the previous year.

Unit: RMB million

Item	**2025**	2024	Increase/ (decrease)	Growth *(%)*
Staff costs	**40,236**	39,684	552	1.39
Property and equipment expenses and amortization	**11,730**	12,751	(1,021)	(8.01)
Other general operating and administrative expenses	**16,753**	17,309	(556)	(3.21)
Subtotal	**68,719**	69,744	(1,025)	(1.47)
Taxes and surcharges	**2,161**	2,194	(33)	(1.50)
Total	**70,880**	71,938	(1,058)	(1.47)
Cost-to-income ratio	**33.33%**	33.74%	Down by 0.41 percentage points	
Cost-to-income ratio (excluding tax and surcharges)	**32.32%**	32.71%	Down by 0.39 percentage points	

2.5.1.9 Credit and Other Asset Impairment Losses

During the reporting period, the Group's accrued credit and other asset impairment losses totaled RMB58.172 billion, a decrease of RMB2.941 billion or 4.81% over the previous year. Specifically, allowance for impairment losses on loans and advances to customers was RMB51.030 billion, representing a decrease of RMB1.669 billion or 3.17% over the previous year. Allowance for impairment losses for financial investments was RMB908 million, down by RMB2.931 billion or 76.35% over the previous year. Please refer to the section "Loan Quality Analysis" of this chapter for analysis of the Group's allowance for impairment losses on loans and advances to customers.

Unit: RMB million

Item	2025	2024	Increase/ (decrease)	Growth *(%)*
Loans and advances to customers	**51,030**	52,699	(1,669)	(3.17)
Financial investments	**908**	3,839	(2,931)	(76.35)
Interbank business*(note)*	**77**	30	47	156.67
Other financial assets and accrued interest	**5,735**	5,564	171	3.07
Off-balance-sheet items	**189**	(1,087)	1,276	Negative in previous year
Repossessed assets	**148**	68	80	117.65
Long-term equity investment	**85**	–	85	Zero in previous year
Total	**58,172**	61,113	(2,941)	(4.81)

Note: Including the impairment losses on deposits and placements with, and loans to banks and non-bank financial institutions, and financial assets held under resale agreements.

2.5.1.10 *Income Tax Expense*

During the reporting period, the Group's income tax expense was RMB12.553 billion, representing an increase of RMB1.158 billion or 10.16% over the previous year. Effective tax rate during the reporting period stood at 14.94%, up by 0.85 percentage points over the previous year.

Unit: RMB million

Item	2025	2024	Increase/ (decrease)	Growth *(%)*
Profit before tax	**84,043**	80,863	3,180	3.93
Income tax expense	**12,553**	11,395	1,158	10.16
Effective tax rate	**14.94%**	14.09%	Up by 0.85 percentage points	

2.5.2 Balance Sheet Analysis

2.5.2.1 *Assets*

As at the end of the reporting period, the Group recorded total assets of RMB10,131.028 billion, an increase of 6.28% from the end of the previous year, mainly because the Group increased its financial investments and loans and advances to customers.

Unit: RMB million

Item	**31 December 2025** **Balance**	**Proportion *(%)***	31 December 2024 Balance	Proportion *(%)*
Total loans and advances to customers	**5,862,172**	**57.9**	5,720,128	60.0
Accrued interest on loans and advances to customers	**23,887**	**0.2**	21,715	0.2
Less: Allowance for impairment losses on loans and advances to customers[(1)]	**(139,188)**	**(1.4)**	(140,393)	(1.5)
Net loans and advances to customers	**5,746,871**	**56.7**	5,601,450	58.7
Total financial investments	**2,932,216**	**28.9**	2,626,789	27.6
Accrued interest on financial investments	**19,573**	**0.2**	20,246	0.2
Less: Allowance for impairment losses on financial investments[(2)]	**(24,964)**	**(0.2)**	(26,165)	(0.3)
Net financial investments	**2,926,825**	**28.9**	2,620,870	27.5
Investment in associates and joint ventures	**8,787**	**0.1**	7,349	0.1
Cash and deposits with central banks	**386,916**	**3.8**	340,915	3.6
Deposits and placements with, and loans to banks and non-bank financial institutions	**587,295**	**5.8**	532,994	5.6
Financial assets held under resale agreements	**169,640**	**1.7**	136,265	1.4
Others[(3)]	**304,694**	**3.0**	292,879	3.1
Total	**10,131,028**	**100.0**	9,532,722	100.0

Notes: (1) Including allowances for impairment losses on loans and advances to customers measured at amortized cost and allowances for impairment losses on accrued interest on loans and advances to customers measured at amortized cost.

(2) Including allowances for impairment losses on financial investments measured at amortized cost and impairment losses on accrued interest on financial investments measured at amortized cost.

(3) Including precious metals, derivative financial assets, investment properties, property and equipment, intangible assets, goodwill, right of use assets, deferred income tax assets and other assets, etc.

Loans and Advances to Customers

As at the end of the reporting period, the Group recorded RMB5,862.172 billion total loans and advances to customers (excluding accrued interest), up by 2.48% over the end of the previous year. Net loans and advances to customers accounted for 56.7% of total assets, down by 2 percentage points over the end of the previous year. The loans and advances to customers measured at amortized cost took up 94.3% of total loans and advances to customers. The table below sets out the classification of the Group's loans and advances to customers by measurement attribute.

Unit: RMB million

Item	**31 December 2025** **Balance**	**Proportion *(%)***	31 December 2024 Balance	Proportion *(%)*
Loans and advances to customers measured at amortized cost	**5,527,688**	**94.3**	5,184,765	90.6
Loans and advances to customers measured at fair value through other comprehensive income	**319,217**	**5.4**	523,751	9.2
Loans and advances to customers measured at fair value through profit or loss	**15,267**	**0.3**	11,612	0.2
Total loans and advances to customers	**5,862,172**	**100.0**	5,720,128	100.0

Please refer to the section "Loan Quality Analysis" of this chapter for analysis of the Group's loans and advances to customers.

Financial Investments

As at the end of the reporting period, the Group recorded RMB2,932.216 billion total financial investments (excluding accrued interest), up by RMB305.427 billion or 11.63% over the end of the previous year, mainly because of the increase in the Group's investments in debt securities.

Classification of the Group's financial investments by product is set out in the table below:

Unit: RMB million

Item	**31 December 2025** **Balance**	**Proportion *(%)***	31 December 2024 Balance	Proportion *(%)*
Investments in debt securities	**2,237,343**	**76.3**	1,905,229	72.5
Investment funds	**421,314**	**14.4**	427,597	16.3
Trust management plans	**182,503**	**6.2**	191,173	7.2
Specific asset management plan	**27,092**	**0.9**	20,162	0.8
Wealth management products and others	**2,893**	**0.1**	2,131	0.1
Certificates of deposit and interbank certificates of deposit	**32,952**	**1.1**	70,582	2.7
Investment in equity instruments	**28,119**	**1.0**	9,915	0.4
Total financial investments	**2,932,216**	**100.0**	2,626,789	100.0

Classification of the Group's financial investments by measurement attribute is set out in the table below:

Unit: RMB million

Item	**31 December 2025** **Balance**	**Proportion** ***(%)***	31 December 2024 Balance	Proportion *(%)*
Financial investments measured at fair value through profit or loss	**678,778**	**23.1**	647,398	24.6
Financial investments measured at amortized cost	**1,324,808**	**45.2**	1,131,333	43.1
Financial investments measured at fair value through other comprehensive income	**920,396**	**31.4**	843,356	32.1
Financial investments designated to be measured at fair value through other comprehensive income	**8,234**	**0.3**	4,702	0.2
Total financial investments	**2,932,216**	**100.0**	2,626,789	100.0

Investment in Debt Securities

As at the end of the reporting period, the Group registered RMB2,237.343 billion investment in debt securities, an increase of RMB332.114 billion or 17.43% over the end of the previous year, primarily due to an increase in investments in debt securities issued by policy banks, peers and other non-bank financial institutions.

Classification of Debt Securities Investment by Issuer

Unit: RMB million

Item	**31 December 2025** **Balance**	**Proportion** ***(%)***	31 December 2024 Balance	Proportion *(%)*
Banks and non-bank financial institutions	**366,213**	**16.4**	227,117	11.9
Government	**1,476,073**	**66.0**	1,471,789	77.2
Policy banks	**167,811**	**7.5**	28,179	1.5
Business entities	**213,529**	**9.5**	166,631	8.8
Public entities	**13,717**	**0.6**	11,513	0.6
Total	**2,237,343**	**100.0**	1,905,229	100.0

Breakdown of Significant Investments in Financial Debt Securities

The table below sets out the breakdown of the top ten investments in financial debt securities held by the Group as at 31 December 2025:

Unit: RMB million

Name of debt securities	**Book value**	**Maturity date *(DD/MM/YYYY)***	**Coupon rate *(%)***	**Accrued impairment allowance**
2025 Policy Bank Debt Securities	18,565	11/6/2026	1.37	–
2025 Policy Bank Debt Securities	13,146	13/6/2030	1.54	–
2025 Policy Bank Debt Securities	10,448	15/5/2035	1.78	–
2025 Policy Bank Debt Securities	10,358	16/6/2026	1.25	–
2025 Policy Bank Debt Securities	8,808	18/6/2035	1.65	–
2025 Policy Bank Debt Securities	7,158	9/9/2026	1.53	–
2025 Policy Bank Debt Securities	5,977	2/4/2026	1.54	–
2025 Policy Bank Debt Securities	5,285	15/4/2028	1.59	–
2025 Policy Bank Debt Securities	5,111	6/1/2026	1.10	–
2025 Policy Bank Debt Securities	5,051	14/2/2028	1.47	–
Total	**89,907**			**–**

Note: The first phase impairment allowance accrued as required by the expected credit loss measurement model is not included.

Investments in Associates and Joint Ventures

As at the end of the reporting period, the Group recorded RMB8.787 billion in net investment in associates and joint ventures, up by 19.57% from the end of last year. The balance of allowance for impairment losses on investment in associates and joint ventures of the Group was RMB85 million as at the end of the reporting period. For relevant details, please refer to Note 23 "Investment in Associates and Joint Ventures" to the financial statements.

Unit: RMB million

Item	**31 December 2025**	31 December 2024
Investment in joint ventures	**7,430**	7,009
Investment in associates	**1,442**	340
Allowance for impairment losses	**(85)**	–
Net investments in associates and joint ventures	**8,787**	7,349

Derivatives

The table below sets out major categories and amounts of financial derivatives held by the Group as at the end of the reporting period. For relevant details, please refer to Note 19 "Derivative Financial Assets/Liabilities" to the financial report.

Unit: RMB million

	31 December 2025			31 December 2024		
		Fair value			Fair value	
Item	**Notional principal**	**Assets**	**Liabilities**	Notional principal	Assets	Liabilities
Interest rate derivatives	**5,915,513**	**12,086**	**12,039**	4,673,773	21,144	20,791
Currency derivatives	**5,132,521**	**28,125**	**25,356**	4,605,533	64,282	57,090
Other derivatives	**79,915**	**815**	**6,969**	94,871	503	3,281
Total	**11,127,949**	**41,026**	**44,364**	9,374,177	85,929	81,162

Repossessed assets

As at the end of the reporting period, the Group recorded the balance of repossessed assets of RMB2.224 billion, and charged RMB1.234 billion allowances for impairment losses on repossessed assets. The book value of repossessed assets stood at RMB990 million.

Unit: RMB million

Item	**31 December 2025**	31 December 2024
Original value of repossessed assets	**2,224**	2,286
– Land, premises and buildings	**2,222**	2,284
– Others	**2**	2
Allowance for impairment losses on repossessed assets	**(1,234)**	(1,132)
– Land, premises and buildings	**(1,234)**	(1,132)
– Others	**–**	–
Total book value of repossessed assets	**990**	1,154

Changes in Impairment Allowances

Unit: RMB million

Item	31 December 2024	Accruals/ reversals during the current period	Write-offs/ transfer out during the current period	Others[1]	**31 December 2025**
Loans and advances to customers[2]	139,240	51,030	(65,584)	12,170	**136,856**
Financial investments[3]	28,666	908	(3,094)	942	**27,422**
Interbank business[4]	328	77	–	(2)	**403**
Other financial assets and accrued interest	12,073	5,735	(6,997)	402	**11,213**
Off-balance-sheet items	9,721	189	–	(17)	**9,893**
Subtotal of allowances for credit impairment	**190,028**	**57,939**	**(75,675)**	**13,495**	**185,787**
Repossessed assets	1,132	148	(45)	(1)	**1,234**
Investment in associates and joint ventures	–	85	–	–	**85**
Subtotal of allowances for other asset impairments	**1,132**	**233**	**(45)**	**(1)**	**1,319**
Total	**191,160**	**58,172**	**(75,720)**	**13,494**	**187,106**

Notes: (1) Including recovery of write-offs and impacts of exchange rate changes.

(2) Including allowances for impairment losses on loans and advances to customers measured at amortized cost, and allowances for impairment losses on loans and advances to customers measured at fair value through other comprehensive income.

(3) Including allowances for impairment losses on financial investments measured at amortized cost and impairment losses on financial investments measured at fair value through other comprehensive income.

(4) Including allowance for impairment losses of deposits and placements with, and loans to banks and non-bank financial institutions and financial assets held under resale agreements.

2.5.2.2 Liabilities

As at the end of the reporting period, the Group recorded total liabilities of RMB9,283.398 billion, up by 6.40% from the end of the previous year, primarily due to an increase in deposits from customers and financial assets sold under repurchase agreements.

Unit: RMB million

Item	31 December 2025 Balance	31 December 2025 Proportion (%)	31 December 2024 Balance	31 December 2024 Proportion (%)
Borrowings from central banks	**204,025**	**2.2**	124,151	1.4
Deposits from customers	**6,127,012**	**66.0**	5,864,311	67.2
Deposits and placements from banks and non-bank financial institutions	**1,095,685**	**11.8**	1,057,042	12.1
Financial assets sold under repurchase agreements	**477,502**	**5.1**	278,003	3.2
Debt securities issued	**1,214,339**	**13.1**	1,224,038	14.0
Others[(note)]	**164,835**	**1.8**	177,812	2.1
Total	**9,283,398**	**100.0**	8,725,357	100.0

Note: Including financial liabilities measured at fair value through profit and loss, derivative financial liabilities, staff remuneration payables, tax and fee payables, estimated liabilities, lease liabilities, deferred income tax liabilities and other liabilities.

Liability Quality Management

The Bank attaches great importance to liability quality management and effectively measures, monitors and controls the quality of liabilities by establishing a science-based and complete liability quality management system to ensure the quality of liabilities in terms of six aspects, namely, stability, diversity, appropriateness, reasonableness, proactiveness, and authenticity of liability quality (hereinafter referred to as "Six Elements"). The Bank's liability quality management system is commensurate with the size and complexity of its liabilities, and its organizational structure consists of a decision-making level and an executive level. Specifically, the decision-making level includes the Board of Directors, which bears ultimate responsibility for the liability quality management, and the senior management, which implements the specifics of liability quality management, while the executive level refers to relevant departments of the Head Office and branches. Focusing on the Six Elements, the Bank specified the goals and process of liability quality management and built a corresponding limit and indicator system covering key regulatory indicators of liability quality management.

During the reporting period, centering on the Six Elements of liability quality management, the Bank continued to strengthen the monitoring, analysis and management of changes in the size and structure of liabilities, adhered to the strategy of "balancing the quantity and pricing", proactively optimized the liability structure, improved the stability of liability source, built the long term competitive edge in liability cost and focused on improving the balanced development of volume, price, quality and customers. During the reporting period, with high-quality liabilities, the Bank's regulatory indicators of liability quality management, such as liquidity coverage ratio and net stable funding ratio, remained compliant with the regulatory requirements maintaining high liability quality. For details of the indicators, please refer to "Risk Management – Liquidity Risk Management" in this chapter.

Deposits from Customers

As at the end of the reporting period, the Group's total deposits from customers (excluding accrued interest) were RMB6,049.275 billion, representing an increase of RMB271.044 billion or 4.69% over the end of the previous year; and deposits from customers accounted for 66.0% of total liabilities, a decrease of 1.2 percentage points from the end of the previous year. The Group's balance of corporate deposits was RMB4,255.026 billion, representing an increase of RMB138.440 billion or 3.36% over the end of the previous year; and the balance of personal deposits stood at RMB1,794.249 billion, representing an increase of RMB132.604 billion or 7.98% over the end of the previous year.

Unit: RMB million

	31 December 2025		31 December 2024	
Item	**Balance**	**Proportion *(%)***	Balance	Proportion *(%)*
Corporate deposits				
Demand deposits	**2,069,377**	**33.8**	2,054,271	35.0
Time and call deposits	**2,185,649**	**35.6**	2,062,315	35.2
Subtotal	**4,255,026**	**69.4**	4,116,586	70.2
Personal deposits				
Demand deposits	**473,380**	**7.7**	439,965	7.5
Time and call deposits	**1,320,869**	**21.6**	1,221,680	20.8
Subtotal	**1,794,249**	**29.3**	1,661,645	28.3
Total deposits from customers	**6,049,275**	**98.7**	5,778,231	98.5
Accrued interest	**77,737**	**1.3**	86,080	1.5
Total	**6,127,012**	**100.0**	5,864,311	100.0

Breakdown of Deposits from Customers by Currency

Unit: RMB million

Item	**31 December 2025** Balance	**Proportion (%)**	31 December 2024 Balance	Proportion (%)
Renminbi	**5,595,857**	**91.3**	5,360,385	91.4
Foreign currencies	**531,155**	**8.7**	503,926	8.6
Total	**6,127,012**	**100.0**	5,864,311	100.0

Breakdown of Deposits by Geographical Region

Unit: RMB million

Item	**31 December 2025** Balance	**Proportion (%)**	31 December 2024 Balance	Proportion (%)
Head Office	**6,163**	**0.1**	8,484	0.1
Bohai Rim	**1,633,990**	**26.7**	1,566,353	26.7
Yangtze River Delta	**1,567,587**	**25.6**	1,509,601	25.7
Pearl River Delta and Western Straits	**970,098**	**15.8**	926,838	15.8
Central China	**807,858**	**13.2**	779,616	13.3
Western China	**623,272**	**10.2**	596,566	10.2
Northeastern China	**134,024**	**2.2**	126,530	2.2
Overseas	**384,020**	**6.2**	350,323	6.0
Total	**6,127,012**	**100.0**	5,864,311	100.0

2.5.3 Shareholders' Equity

As at the end of the reporting period, the Group's shareholders' equity was RMB847.630 billion, an increase of 4.99% over the end of the previous year. The table below sets out the changes in shareholders' equity in the Group during the reporting period.

Unit: RMB million

Item	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve and general reserve	Retained earnings	Non-controlling interests	Total
31 December 2024	54,397	105,499	89,286	16,862	179,352	343,868	18,101	807,365
i. Net profit	–	–	–	–	–	70,618	872	71,490
ii. Other comprehensive income	–	–	–	(14,169)	–	–	190	(13,979)
iii. Investor capital	1,248	(551)	6,280	–	–	–	–	6,977
iv. Profit appropriations	–	–	–	–	15,061	(38,938)	(346)	(24,223)
v. Internal carryover of owner's equity	–	–	–	314	–	(314)	–	–
31 December 2025	**55,645**	**104,948**	**95,566**	**3,007**	**194,413**	**375,234**	**18,817**	**847,630**

2.5.4 Loan Quality Analysis

Loan Risk Classification

The Group measures and manages the loan quality pursuant to the *Measures for Risk Classification of Financial Assets of Commercial Banks* formulated by the former CBIRC and the PBOC. It formulated the *Management Measures for Risk Classification of Financial Assets of China CITIC Bank*, which clarifies the risk classification methods for various financial assets according to financial assets category, counterparty type, product structure characteristics, historical defaults, etc., and taking into account the characteristics of the Group's asset portfolios. The Group classifies loans into pass, special mention, substandard, doubtful and loss, with the latter three collectively referred to as non-performing loans.

During the reporting period, the Group continued to strengthen risk classification management. It strictly identified asset risk categories in accordance with the three-level procedures of "preliminary classification, identification and approval" to truly reflect asset quality.

Unit: RMB million

Category	**31 December 2025** Balance	**Proportion (%)**	31 December 2024 Balance	Proportion (%)
Performing loans	**5,794,956**	**98.85**	5,653,643	98.84
Pass	**5,699,698**	**97.23**	5,560,073	97.20
Special mention	**95,258**	**1.62**	93,570	1.64
Non-performing loans	**67,216**	**1.15**	66,485	1.16
Substandard	**17,394**	**0.30**	15,530	0.27
Doubtful	**26,320**	**0.45**	27,615	0.48
Loss	**23,502**	**0.40**	23,340	0.41
Total loans	**5,862,172**	**100.00**	5,720,128	100.00

As at the end of the reporting period, the Group's balance of pass loans increased by RMB139.625 billion over the end of the previous year, and accounted for 97.23% of the total loans, representing a rise of 0.03 percentage points over the end of the previous year; and the balance of special mention loans increased by RMB1.688 billion over the end of the previous year, accounting for 1.62% of the total loans, down by 0.02 percentage points over the end of the previous year. The balance of the Group's NPLs increased by RMB731 million over the end of the previous year; and the NPL ratio stood at 1.15%, down by 0.01 percentage points over the end of the previous year. Adhering to the business philosophy of steady development, the Group actively adapted to changes in the market environment, continued to enhance its proactive and forward-looking risk management, consistently optimized the credit structure, enhanced the refined management level across the entire credit lifecycle, and intensified efforts in risk resolution and non-performing assets disposal, thereby further consolidating and improving the overall fundamentals of asset quality. As at the end of the reporting period, the Group's NPL ratio and the proportion of special mention loans both decreased compared with the end of last year.

Concentration of Loans by Product

As at the end of the reporting period, the Group's balance of corporate loans (excluding discounted bills) recorded RMB3,293.205 billion, an increase of RMB385.088 billion or 13.24% over the end of the previous year; and its balance of personal loans reached RMB2,366.798 billion, an increase of RMB4.688 billion or 0.20% over the end of the previous year. The balance of discounted bills decreased by RMB247.732 billion or 55.06% over the end of last year to RMB202.169 billion. The Group's ratio of corporate non-performing loans (excluding discounted bills) dropped by 0.18 percentage points over the end of the previous year. The asset quality of corporate loans continued to improve, with the balance of corporate NPLs decreasing by RMB976 million over the end of the previous year. The Group's balance of personal non-performing loans increased by RMB1.707 billion over the end of the previous year, corresponding to a 0.07 percentage points increase in its NPL ratio over the end of the previous year. The NPL balance and NPL ratio of discounted bills both remained at zero, unchanged from the end of the previous year.

Unit: RMB million

Category	31 December 2025 Balance	Proportion (%)	NPL balance	NPL ratio (%)	31 December 2024 Balance	Proportion (%)	NPL balance	NPL ratio (%)
Corporate loans	**3,293,205**	**56.18**	**35,929**	**1.09**	2,908,117	50.84	36,905	1.27
Personal loans	**2,366,798**	**40.37**	**31,287**	**1.32**	2,362,110	41.29	29,580	1.25
Discounted bills	**202,169**	**3.45**	**–**	**–**	449,901	7.87	–	–
Total loans	**5,862,172**	**100.00**	**67,216**	**1.15**	5,720,128	100.00	66,485	1.16

Concentration of Loans by Industry

As at the end of the reporting period, manufacturing, rental and business services, and water conservancy, environment and public facilities management were the top three industry borrowers of the Group's corporate loans, recording loan balances of RMB688.361 billion, RMB626.095 billion, and RMB436.457 billion, respectively. Among them, the loans to manufacturing accounted for 20.90% of the Group's total corporate loans, up by 1.78 percentage points from the end of previous year. The balance of loans granted to the real estate industry stood at RMB297.453 billion, accounting for 9.03% of the Group's total corporate loans, down by 0.78 percentage points from the end of previous year. In term of the increments, manufacturing, rental and business services, wholesale and retail ranked the top three, with increases of RMB132.188 billion, RMB62.144 billion and RMB36.600 billion, respectively, compared with the end of the previous year.

As at the end of the reporting period, the Group's NPLs were mainly concentrated in three sectors, i.e., real estate, manufacturing, and wholesale and retail, with their NPL balances collectively taking up 58.79% of the total corporate NPLs. The Group's corporate NPL ratio (excluding discounted bills) dropped by 0.18 percentage points over the end of the previous year. Specifically, the asset quality indicators of industries such as manufacturing, rental and business services, and information transmission, software and information technology services improved slightly compared with the end of last year, with the NPL ratios dropping by 0.83 percentage points, 0.11 percentage points and 0.10 percentage points, respectively. During the reporting period, affected by factors including the macroeconomic environment and the transformation of the real estate market, the Group's NPL ratios in sectors, such as construction and real estate, increased compared with the end of the previous year. The Group attached great importance to preventing credit risks in real estate-related areas and proactively strengthened forward-looking risk mitigation and disposal efforts. As a result, overall changes in NPLs remained within the expected and controlled range.

Unit: RMB million

Category	31 December 2025 Balance	Proportion (%)	NPL balance	NPL ratio (%)	31 December 2024 Balance	Proportion (%)	NPL balance	NPL ratio (%)
Corporate loans	**3,293,205**	**56.18**	**35,929**	**1.09**	2,908,117	50.84	36,905	1.27
Manufacturing	**688,361**	**11.75**	**7,142**	**1.04**	556,173	9.72	10,421	1.87
Rental and business services	**626,095**	**10.68**	**5,763**	**0.92**	563,951	9.86	5,808	1.03
Water, environment and public utilities management	**436,457**	**7.45**	**943**	**0.22**	437,242	7.64	765	0.17
Real estate	**297,453**	**5.07**	**7,955**	**2.67**	285,149	4.99	6,296	2.21
Wholesale and retail	**262,739**	**4.48**	**6,026**	**2.29**	226,139	3.95	4,714	2.08
Transportation, storage and postal services	**169,056**	**2.88**	**346**	**0.20**	148,934	2.60	332	0.22
Production and supply of electric power, heat, gas and water	**149,524**	**2.55**	**849**	**0.57**	118,483	2.07	706	0.60
Construction	**133,624**	**2.28**	**1,671**	**1.25**	115,613	2.02	609	0.53
Financial industry	**113,036**	**1.93**	**2**	**0.00**	91,514	1.60	48	0.05
Information transmission, software and information technology services	**82,258**	**1.40**	**880**	**1.07**	66,479	1.16	778	1.17
Others	**334,602**	**5.71**	**4,352**	**1.30**	298,440	5.23	6,428	2.15
Personal loans	**2,366,798**	**40.37**	**31,287**	**1.32**	2,362,110	41.29	29,580	1.25
Discounted bills	**202,169**	**3.45**	**–**	**–**	449,901	7.87	–	–
Total loans	**5,862,172**	**100.00**	**67,216**	**1.15**	5,720,128	100.00	66,485	1.16

Concentration of Loans by Geographical Region

As at the end of the reporting period, the Group's total loans stood at RMB5,862.172 billion, an increase of RMB142.044 billion or 2.48% over the end of the previous year. Specifically, the balances of loans to the Yangtze River Delta, Bohai Rim, and Pearl River Delta and Western Straits ranked among the top three, recording RMB1,746.150 billion, RMB1,399.571 billion and RMB847.259 billion, and accounting for 29.80%, 23.87% and 14.45% of the Group's total, respectively. As for the increased amount, the Yangtze River Delta, Western China and Pearl River Delta and Western Straits ranked top three, and grew by RMB98.913 billion, RMB37.848 billion and RMB35.143 billion, compared with the end of last year respectively.

As for the distribution of NPLs, the Group's NPLs were mainly concentrated in the Bohai Rim, Yangtze River Delta, and Pearl River Delta and Western Straits, with the combined NPL balance of the above regions reaching RMB43.607 billion, accounting for 64.88% of the total. During the reporting period, the Group continuously strengthened risk control and intensified risk mitigation and disposal efforts for key sectors, key customers and key projects through tailored measures. The NPL ratios in Northeastern China, Western China, overseas regions, and the Pearl River Delta and Western Straits all decreased compared with the end of the previous year, while those in other regions increased.

Unit: RMB million

	31 December 2025				31 December 2024			
Category	**Balance**	**Proportion (%)**	**NPL balance**	**NPL ratio (%)**	Balance	Proportion (%)	NPL balance	NPL ratio (%)
Yangtze River Delta	**1,746,150**	**29.80**	**14,000**	**0.80**	1,647,237	28.80	8,712	0.53
Bohai Rim	**1,399,571**	**23.87**	**19,327**	**1.38**	1,455,154	25.44	18,993	1.31
Pearl River Delta and Western Straits	**847,259**	**14.45**	**10,280**	**1.21**	812,116	14.20	10,032	1.24
Central China	**818,539**	**13.96**	**10,225**	**1.25**	804,731	14.07	8,671	1.08
Western China	**734,236**	**12.52**	**8,952**	**1.22**	696,388	12.17	14,349	2.06
Northeastern China	**82,593**	**1.41**	**622**	**0.75**	84,343	1.47	1,385	1.64
Overseas	**233,824**	**3.99**	**3,810**	**1.63**	220,159	3.85	4,343	1.97
Total loans	**5,862,172**	**100.00**	**67,216**	**1.15**	5,720,128	100.00	66,485	1.16

Note: The Bohai Rim includes the Head Office.

Breakdown of Loans by Type of Guarantee

During the reporting period, the Group's loan guarantee structure remained stable. As at the end of the reporting period, the balance of the Group's unsecured and guaranteed loans was RMB2,939.268 billion, an increase of RMB266.890 billion over the end of the previous year, accounting for 50.14% of the Group's total loans, up by 3.42 percentage points from the end of the previous year; the balance of loans secured by collateral and pledge was RMB2,720.735 billion, an increase of RMB122.886 billion over the end of the previous year, accounting for 46.41% of the Group's total loans, up by 1.00 percentage points from the end of the previous year.

Unit: RMB million

Type of guarantee	**31 December 2025 Balance**	**Proportion *(%)***	31 December 2024 Balance	Proportion *(%)*
Unsecured loans	**1,785,310**	**30.46**	1,625,741	28.42
Guaranteed loans	**1,153,958**	**19.68**	1,046,637	18.30
Loans secured by collateral	**2,258,793**	**38.53**	2,197,326	38.41
Pledged loans	**461,942**	**7.88**	400,523	7.00
Subtotal	**5,660,003**	**96.55**	5,270,227	92.13
Discounted bills	**202,169**	**3.45**	449,901	7.87
Total loans	**5,862,172**	**100.00**	5,720,128	100.00

Concentration of Borrowers of Corporate Loans

The Group focused on concentration risk control over its corporate loan borrowers. During the reporting period, the Group complied with the applicable regulatory requirements on the concentration of borrowers. Since a single borrower was defined by the Group as a specific legal entity, one borrower could be the related party of another borrower.

Major regulatory indicators	**Regulatory standard**	**31 December 2025**	31 December 2024	31 December 2023
Percentage of loans to the largest single customer *(%)*[(1)]	**≤10**	**1.08**	1.10	1.20
Percentage of loans to the top 10 customers *(%)*[(2)]	**≤50**	**8.09**	8.86	9.50

Notes: (1) Percentage of loans to the largest single customer = balance of loans to the largest single customer/net capital.

(2) Percentage of loans to the top 10 customers = balance of loans to the top 10 customers/net capital.

Unit: RMB million

Borrower	Industry	31 December 2025 Balance	Percentage in total loans *(%)*	Percentage in regulatory capital *(%)*
Borrower A	Water, environment and public utilities management	**10,593**	**0.18**	1.08
Borrower B	Public administration, social security and social organizations	**9,759**	**0.17**	0.99
Borrower C	Transportation, storage and postal services	**9,583**	**0.16**	0.97
Borrower D	Rental and business services	**8,357**	**0.14**	0.85
Borrower E	Real estate	**8,118**	**0.14**	0.82
Borrower F	Transportation, storage and postal services	**7,652**	**0.13**	0.78
Borrower G	Rental and business services	**7,650**	**0.13**	0.78
Borrower H	Rental and business services	**6,262**	**0.11**	0.64
Borrower I	Rental and business services	**5,985**	**0.10**	0.61
Borrower J	Real estate	**5,598**	**0.10**	0.57
Total loans		**79,557**	**1.36**	**8.09**

As at the end of the reporting period, the total balance of corporate loans from the Group to the top 10 customers amounted to RMB79.557 billion, taking up 1.36% of its total loans and 8.09% of its net capital.

Migration of Loans

The table below sets out the migration of the Bank's loans across the risk categories during the reporting period.

Category	**31 December 2025**	31 December 2024	31 December 2023
Migration ratio of pass loans *(%)*	**1.74**	1.68	2.18
Migration ratio of special mention loans *(%)*	**29.37**	26.44	36.70
Migration ratio of substandard loans *(%)*	**61.36**	63.28	83.18
Migration ratio of doubtful loans *(%)*	**54.61**	73.38	88.83
Ratio of migration from performing loans to NPLs *(%)*	**1.41**	1.35	1.63

As at the end of the reporting period, the Bank's ratio of loan migration from performing loans to NPLs was 1.41%, an increase of 0.06 percentage points over the end of the previous year.

Overdue and Restructured Loans

Unit: RMB million

Category	**31 December 2025** Balance	**Proportion (%)**	31 December 2024 Balance	Proportion (%)
Loans repayable on demand	**5,778,574**	**98.57**	5,617,492	98.20
Loans overdue[1]				
Within 3 months	**33,136**	**0.57**	53,118	0.93
3-12 months	**27,087**	**0.46**	29,396	0.52
1-3 years	**16,859**	**0.29**	14,856	0.26
More than 3 years	**6,516**	**0.11**	5,266	0.09
Subtotal	**83,598**	**1.43**	102,636	1.80
Total loans	**5,862,172**	**100.00**	5,720,128	100.00
Restructured loans[2]	**37,731**	**0.64**	29,601	0.52

Notes: (1) Loans overdue refer to loans with principal or interest overdue for one day or more.

(2) Restructured loans refer to loans the debtors of which were in financial difficulties and the Group adjusted their contracts in the favo of the debtors or provided refinancing for their existing debts, including repaying existing debts with new borrowing and new debt financing, so as to facilitate the loan repayment.

During the reporting period, the Group strengthened the management of overdue loans, intensified collection efforts for overdue borrowers, and formulated differentiated disposal and restructuring plans based on customers' risk profiles. As at the end of the reporting period, the Group's balance of overdue loans recorded RMB83.598 billion, a decrease of RMB19.038 billion over the end of the previous year, and the share of overdue loans in total loans went down by 0.37 percentage points over the end of the previous year.

During the reporting period, the Group managed loan restructuring in a stringent and prudent manner in accordance with regulatory policies. As at the end of the reporting period, the Group's balance of restructured loans stood at RMB37.731 billion, accounting for 0.64% of the total.

Analysis of Allowance for Loan Impairment

The Group set aside adequate allowance for loan impairment losses based on expected credit loss as required by the PRC Accounting Standards and International Financial Reporting Standards (IFRS) Accounting Standards in light of customer default rate, default loss rate and many other quantitative risk parameters, as well as forward-looking macro adjustments.

Unit: RMB million

Item	**As at 31 December 2025**	As at 31 December 2024	As at 31 December 2023
Beginning balance	**139,240**	134,517	131,202
Accruals during the period[(1)]	**51,030**	52,699	49,840
Write-offs and transfer-out	**(65,584)**	(60,724)	(60,054)
Recovery of loans and advances written off in previous years	**12,693**	13,259	13,670
Others[(2)]	**(523)**	(511)	(141)
Ending balance	**136,856**	139,240	134,517

Notes: (1) Equal to the net loan impairment losses recognized as accruals for the Group in the consolidated income statement of the Group.

(2) Including changes in foreign exchange rate and others.

As at the end of the reporting period, the Group's balance of allowance for loan impairment losses registered RMB136.856 billion, down by RMB2.384 billion over the end of the previous year. The Group's ratio of balance of allowance for loan impairment losses to NPL balance (i.e., allowance coverage ratio) and ratio of balance of allowance for loan impairment losses to total loans (i.e., allowance for loan impairment losses to total loans) stood at 203.61% and 2.33%, down by 5.82 percentage points and 0.10 percentage points over the end of the previous year, respectively.

2.5.5 Major Off-Balance Sheet Items

As at the end of the reporting period, the Group's major off-balance sheet items included credit commitments, capital commitments and pledged assets. The detailed items and balances are set out in the table below.

Unit: RMB million

Item	**31 December 2025**	31 December 2024
Credit commitments		
– Bank acceptance bills	**833,848**	854,489
– Letters of guarantee	**251,992**	273,578
– Letters of credit	**367,804**	324,861
– Irrevocable loan commitments	**63,486**	54,064
– Credit card commitments	**792,650**	812,562
Subtotal	**2,309,780**	2,319,554
Capital commitments	**997**	1,055
Pledged assets	**634,338**	333,599
Total	**2,945,115**	2,654,208

2.5.6 Cash Flow Statement Analysis

Net Cash Inflows From Operating Activities

The Group's net cash inflows from operating activities registered RMB443.082 billion, and the figure in the same period of last year was net cash outflows used in operating activities of RMB181.032 billion, primarily due to the increase in interbank inflows as well as the borrowing from central bank.

Net Cash Outflows Used in Investing Activities

The Group's net cash outflows used in investing activities recorded RMB308.085 billion, and the figure in the same period of last year was RMB29.532 billion, mainly due to the increase in the scale of investment as well as sale and redemption of financial investments, which resulted in overall net cash outflows.

Net Cash Outflows Generated from Financing Activities

The Group's net cash outflows generated from financing activities registered RMB59.792 billion, and the figure in the same period of last year was net cash inflows of RMB220.803 billion, primarily due to the increase in the issuance and redemption of interbank certificates of deposit and debt securities, which resulted in overall net cash outflows.

Unit: RMB million

Item	2025	Year-on-year increase (%)	Main reason
Net Cash Inflows from Operating Activities	**443,082**	Negative in previous year	
Including: Net cash inflows from increase in interbank business (note)	**150,177**	Negative in previous year	Increase in interbank inflows
Net increase in borrowings from central banks	**79,975**	Negative in previous year	Increase in borrowings from central banks
Cash inflows due to increase in deposits from customers	**293,536**	(19.76)	Less increment of deposits from customers
Cash outflows due to increase in loans and advances to customers	**(178,739)**	(30.81)	Less increment of loans to customers
Net Cash Outflows Used in Investing Activities	**(308,085)**	943.22	
Including: Proceeds from redemption of investments	**6,365,852**	65.43	Increase in sale and redemption of financial investments
Payments on acquisition of investments	**(6,636,958)**	71.93	Increase in investments
Net Cash Outflows due to from Financing Activities	**(59,792)**	(127.08)	
Including: Cash inflows due to proceeds from issuance of debt certificates	**1,641,535**	5.64	Increase in issuance of interbank deposit certificates and debt securities
Cash outflows due to repayment of debt certificates	**(1,644,658)**	30.36	Increase in repayment of matured interbank deposit certificates and debt securities

Note: Including deposits and placements with, and loans to banks and non-bank financial institutions, financial assets held under resale agreements, deposits and placements from banks and non-bank financial institutions, and financial assets sold under repurchase agreements.

2.5.7 Capital Adequacy Ratio Analysis

The Group has established a closed-loop management system covering the whole process from capital planning, allocation, measurement, monitoring to evaluation. During the reporting period, in light of changes in both internal and external situations, the Group made greater efforts to serve the real economy, established and improved the linkage mechanism between capital planning and business arrangements, and reasonably promoted asset growth. Meanwhile, it continued to uphold the "light capital, light assets and light costs" development strategy. Guided by the concepts of light development and value creation, it continued to optimize the capital allocation model, enhanced the refined capital management, guided operating institutions to reasonably arrange business, customer and product structure under capital constraints, thereby realizing the balanced development of business growth, value return and capital consumption.

As at the end of the reporting period, as required by relevant rules from the *Rules on Capital Management of Commercial Banks* promulgated by the NFRA, the Group recorded a capital adequacy ratio of 12.80%, a tier-one capital adequacy ratio of 10.90%, and a core tier-one capital adequacy ratio of 9.48%, all of which met regulatory requirements.

Capital adequacy ratios

Unit: RMB million

Item	**31 December 2025**	31 December 2024	31 December 2023
Net core tier-one capital	**728,608**	687,134	605,156
Net additional tier-one capital	**109,110**	108,619	118,313
Net tier-one capital	**837,718**	795,753	723,469
Net tier-two capital	**146,250**	148,407	146,384
Net capital	**983,968**	944,160	869,853
Of which:			
Minimum requirement for core tier-one capital	**384,217**	353,437	336,386
Minimum requirement for tier-one capital	**461,060**	424,124	403,663
Minimum requirement for capital	**614,747**	565,499	538,217
Requirement for reserve capital	**192,108**	176,718	168,193
Requirement for countercyclical capital	**–**	–	–
Requirement for additional capital	**38,422**	35,344	33,639
Risk-weighted assets	**7,684,339**	7,068,736	6,727,713
Core tier-one capital adequacy ratio	**9.48%**	9.72%	8.99%
Tier-one capital adequacy ratio	**10.90%**	11.26%	10.75%
Capital adequacy ratio	**12.80%**	13.36%	12.93%

Note: The Group's capital adequacy ratios during the reporting period and in 2024 were calculated and disclosed in accordance with the *Rules on Capital Management of Commercial Banks* (NFRA order 2023 No.4) promulgated by the NFRA, and its capital adequacy ratios in 2023 were calculated and disclosed according to the *Provisional Measures for Capital Management of Commercial Banks* promulgated by the former CBRC.

Leverage ratio

Unit: RMB million

Item	**31 December 2025**	31 December 2024	31 December 2023
Leverage ratio	**7.09%**	7.06%	6.66%
Net tier-one capital	**837,718**	795,753	723,469
Adjusted balance of on-and off-balance sheet assets	**11,807,185**	11,268,348	10,859,498

Note: The Group's leverage ratios during the reporting period and in 2024 were calculated and disclosed in accordance with the *Rules on Capital Management of Commercial Banks* (NFRA order 2023 No.4) promulgated by the NFRA, and its leverage ratio in 2023 was calculated and disclosed in accordance with the *Rules on Leverage Ratio Management of Commercial Banks (2015 Revision)* (CBRC order 2015 No.1) promulgated by the former CBRC. For detailed information about leverage ratios, please refer to the column on investor relations at http://www.citicbank.com/about/investor/financialaffairs/report/2025/.

2.5.8 Major Accounting Estimates and Assumptions

The preparation of the financial statements in conformity with the International Financial Reporting Standards (IFRS) Accounting Standards required the Group to make certain accounting estimates and assumptions when applying its accounting policies to determine the amounts of assets, liabilities, as well as profits and losses for the reporting period. The accounting estimates and assumptions made by the Group were based on its historical experience and other factors such as reasonable expectations of future events. The key assumptions involved in such estimates and the judgment on uncertainties were reviewed on an ongoing basis. Such accounting estimates and assumptions made by the Group were all appropriately recognized during the current period of the concerned changes and will be recognized as such during the subsequent periods of any impacts resulting from such changes.

The basis for preparing the Group's financial statements was influenced by estimates and judgments in the following main aspects: expected credit loss measurement model, classification of financial assets, fair value measurement of financial instruments, the derecognition of financial assets, the control of structured entities, income tax and deferred income tax.

2.5.9 Major Financial Statement Items with More than 30% Changes

Unit: RMB million

Item	End of 2025/2025	Increase/ Decrease over previous year-end/year-on-year *(%)*	Main reason
Precious metals	**28,851**	132.91	Increase in precious metals held
Derivative financial assets	**41,026**	(52.26)	Decrease in the revaluation of currency and interest rate derivatives
Financial investments designated to be measured at fair value through other comprehensive income	**8,234**	75.12	Increase in investments in equity instruments
Property and equipment	**74,534**	60.23	Increase in operating lease equipment
Borrowings from central banks	**204,025**	64.34	Increase in borrowings from central banks
Placements from banks and non-bank financial institutions	**159,013**	79.57	Increase in placements from financial institutions in the banking industry
Derivative financial liabilities	**44,364**	(45.34)	Decrease in the revaluation of currency and interest derivatives
Financial assets sold under repurchase agreements	**477,502**	71.76	Increase in debt securities sold under repurchase agreements
Tax and fee payables	**4,642**	(39.28)	Decrease in income tax payable
Other liabilities	**72,961**	58.34	Increase in accounts to be settled
Other comprehensive income	**3,007**	(82.17)	Decrease in the fair value of debt instruments
Other net operating income	**4,506**	188.85	Increase in operating lease income

2.5.10 Segment Report

2.5.10.1 Business Segments

Major business segments of the Group include corporate banking, retail banking and financial markets business. The table below lists the operating results of the Group by business segment.

Unit: RMB million

	2025				2024			
Business segment	**Segment operating income**	**Proportion (%)**	**Segment profit before tax**	**Proportion (%)**	Segment operating income	Proportion (%)	Segment profit before tax	Proportion (%)
Corporate banking	**98,838**	**46.5**	**54,324**	**64.6**	95,245	44.7	49,829	61.6
Retail banking	**79,381**	**37.3**	**5,303**	**6.3**	85,690	40.2	9,230	11.4
Financial markets business	**34,103**	**16.0**	**26,938**	**32.1**	31,973	15.0	23,787	29.4
Others and unallocated	**314**	**0.2**	**(2,522)**	**(3.0)**	315	0.1	(1,983)	(2.4)
Total	**212,636**	**100.0**	**84,043**	**100.0**	213,223	100.0	80,863	100.0

Unit: RMB million

	End of 2025		End of 2024	
Business segment	**Segment assets**	**Proportion (%)**	Segment assets	Proportion (%)
Corporate banking	**3,440,692**	**34.1**	3,016,097	31.8
Retail banking	**2,341,398**	**23.2**	2,342,470	24.7
Financial markets business	**3,664,314**	**36.4**	3,554,046	37.5
Others and unallocated	**629,954**	**6.3**	565,979	6.0
Total	**10,076,358**	**100.0**	9,478,592	100.0

Note: Segment assets do not include deferred income tax assets.

2.5.10.2 Geographical Segments

The Group operates mainly in the Chinese mainland, with branches and sub-branches covering 31 provinces, autonomous regions and municipalities. London Branch officially commenced operation in June 2019. Hong Kong Branch commenced business operation in March 2024. As for subsidiaries, CIFH and CNCB Investment were registered in Hong Kong, while Lin'an CITIC Rural Bank, CITIC Financial Leasing, CITIC Wealth Management and CITIC Bank Financial Asset Investment were registered in the Chinese mainland. The table below lists the operating results of the Group by geographical segment.

Unit: RMB million

	End of 2025/2025				End of 2024/2024			
	Segment total assets		**Segment profit before tax**		Segment total assets		Segment profit before tax	
Geographical segment	**Balance**	**Proportion (%)**	**Balance**	**Proportion (%)**	Balance	Proportion (%)	Balance	Proportion (%)
Head Office	**3,818,384**	**37.9**	**42,759**	**50.9**	3,551,480	37.5	44,190	54.6
Yangtze River Delta	**2,211,466**	**21.9**	**15,000**	**17.8**	2,080,747	22.0	17,268	21.4
Pearl River Delta and Western Straits	**1,134,174**	**11.3**	**1,434**	**1.7**	1,080,806	11.4	539	0.7
Bohai Rim	**2,161,594**	**21.5**	**15,524**	**18.5**	2,010,887	21.2	9,842	12.2
Central China	**901,305**	**8.9**	**1,946**	**2.3**	900,004	9.5	4,629	5.7
Western China	**795,978**	**7.9**	**3,981**	**4.7**	750,011	7.9	1,477	1.8
Northeastern China	**141,031**	**1.4**	**(25)**	**–**	132,623	1.4	213	0.3
Overseas	**564,458**	**5.6**	**3,424**	**4.1**	520,398	5.5	2,705	3.3
Offset	**(1,652,032)**	**(16.4)**	**–**	**–**	(1,548,364)	(16.4)	–	–
Total	**10,076,358**	**100.0**	**84,043**	**100.0**	9,478,592	100.0	80,863	100.0

Note: Segment assets do not include deferred income tax assets.

2.6 Key Issues in Operations

2.6.1 Loan Extension

Corporate Loans

The Bank closely aligned with national policy priorities and market trends, and adhered to its fundamental mission of serving the real economy and the orientation of building itself into a bank of value. Based on its overall asset-liability growth plan and coordinated asset allocation arrangements, the Bank specified its asset allocation strategy for big asset categories and pushed forward the implementation of the "Five Policies" in finance. The Bank continuously optimized the loan structure in terms of industry, customer and region, and promoted high-quality development of corporate loans characterized by increased volume, stable pricing, and superior quality. As at the end of the reporting period, the Bank's balance of general corporate loans recorded RMB3,061.253 billion, representing an increase of RMB381.586 billion or 14.24% from the end of the previous year. Specifically, the balance of RMB-denominated general corporate loans recorded RMB2,929.313 billion, representing an increase of RMB338.695 billion or 13.07% from the end of the previous year. During the reporting period, amid declining market interest rates and against the general trend that financial institutions make profit concessions to support the real economy, the pricing and yields of the Bank's newly issued general corporate loans declined in tandem with industrial trends. The asset quality of corporate assets (not including bill discounting) improved amid stability, with the Bank's balance and ratio of NPLs as at the end of the reporting period down by RMB0.036 billion and 0.15 percentage points, respectively, compared with the end of previous year.

During the reporting period, the Bank coordinated and advanced the optimization of its credit structure and the upgrading of services to the real economy. Financial support was increased for key sectors and weak links of the real economy, with a focus on national strategic areas. Differentiated management of customer segments was further deepened and the efficiency of credit resource allocation continued to improve. As at the end of the reporting period, the loan balances in key areas of the real economy, including green credit[6], mid- and long-term manufacturing, strategic emerging industries, private economy[7], and inclusive finance for micro and small enterprises, amounted to RMB752.462 billion, RMB359.267 billion, RMB767.208 billion, RMB1,461.685 billion, and RMB644.306 billion, respectively. Compared with the end of previous year, the balances increased by RMB149.687 billion, RMB58.654 billion, RMB123.254 billion, RMB114.357 billion, and RMB44.482 billion, representing growth rates of 24.83%, 19.51%, 19.14%, 8.49% and 7.42%, respectively. During the reporting period, the top four industries contributing the largest increases in RMB-denominated general corporate loans were manufacturing, leasing and commercial services, wholesale and retail, and the production and supply of electricity, heat, gas, and water. Each industry recorded an increase exceeding RMB30 billion, further consolidating the Bank's credit foundation in traditional key areas. Committed to the national regional development strategy, the Bank fostered a sound pattern characterized by strong leadership in key regions and coordinated development across

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6 The statistics has been updated according to the lasted statistical standards for green credit of PBOC, and the base figure of the beginning of the year has been adjusted accordingly.

7 Statistical standards of the People's Bank of China, which include loans to privately controlled enterprises and personal business loans (including RMB and foreign currencies) and exclude discounting.

all areas. It continuously promoted high-quality, coordinated development in major regions, such as the Beijing-Tianjin-Hebei region, the Yangtze River Delta, the Guangdong-Hong Kong-Macao Greater Bay Area, the Chengdu-Chongqing Economic Circle, and the three northeastern provinces, including Heilongjiang, Jilin and Liaoning. As at the end of the reporting period, the balance of general RMB corporate loans in these five key regions accounted for 72.19% of the total, up by 0.17 percentage points.

Personal Loans

Affected by factors such as adjustments in the real estate market, declining income expectations, and the accumulation of risks in earlier periods, the growth of personal loans slowed across the whole industry. The Bank proactively addressed these adverse impacts, firmly implemented national and regulatory policies, and continuously enhanced its risk management capabilities and asset quality control. It promoted balanced development among three core products in an orderly manner: personal housing loans, personal business loans, and personal consumption loans. As at the end of the reporting period, the balance of personal loans (credit card not included) of the Bank totaled RMB1,840.686 billion, an increase of RMB25.274 billion or 1.39% over the end of the previous year. During the reporting period, newly issued personal loans (excluding credit cards) amounted to RMB775.430 billion. Specifically, RMB211.434 billion were personal housing loans, and RMB214.575 billion were personal inclusive loans. In terms of pricing, given the overall downward trend in pricing for personal loans, the Bank's pricing of new personal loans continued to decline.

From the perspective of product category, the adjustment to interest rates on existing mortgage loans was efficiently implemented. The Bank actively implemented the initiatives related to the self-regulatory mechanism for market-based interest rate pricing and steadily advanced the bulk adjustment to interest rates on existing commercial housing mortgage loans. Through multiple channels, including mobile banking and offline outlets, the Bank issued adjustment announcements and operational guidelines, upgraded system functions, and conducted internal training to ensure efficient customer consultation and business processing. Interest rate reductions were completed for nearly 1 million personal housing loan customers, which effectively eased repayment burdens, fully leveraged the role of financial services, and supported the recovery and expansion of consumption while safeguarding and improving people's livelihoods. Efforts were further intensified to strengthen support for consumer finance. The Bank actively supported and resolutely implemented the requirements set forth by the Ministry of Finance, the People's Bank of China, and the NFRA under the *Implementation Plan for the Fiscal Subsidy Policy for Personal Consumption Loans*. On 1 September, it officially launched the fiscal interest subsidy program for personal consumption loans. In this manner, it aimed to further reduce consumer credit financing costs, enhance the supporting and guiding role of fiscal funds in boosting consumption, and steadily promote the issuance of personal consumption loans.

2.6.2 Customer Deposits

Corporate Deposits

During the reporting period, amid a low-interest-rate environment, the trend of deposits shifting toward time deposits and wealth management products continued. Competition intensified as banking services became increasingly stock-based and homogeneous, leading to slowed overall growth in corporate deposits across the market. The Bank proactively established a sound and flexible liability management model, and achieved stable growth in corporate deposits by optimizing product strategies and enhancing comprehensive service capabilities. As at the end of the reporting period, the Bank's balance of corporate deposits recorded RMB4,086.350 billion, representing an increase of RMB117.040 billion or 2.95% from the end of the previous year. In terms of customer structure, large customers accounted for 41%, institutional customers for 34%, and small and medium-sized customers for 25%. In terms of product structure, the balance of demand deposits accounted for 48.65%, down by 1.57 percentage points from the end of the previous year. The balance of structured deposits accounted for 3.74%, increasing by 0.06 percentage points from the end of the previous year. In terms of cost, the Bank's corporate deposit cost rate was 1.35% during the reporting period, representing a year-on-year decrease of 36 basis points. In 2026, the Bank will adapt to market trends, continue to uphold the operating philosophy of the balance between quantity and pricing, and further build itself into a leading trading settlement bank. Through comprehensive customer management and innovative products and services, the Bank aims to attract high-quality deposits and effectively promote the high-quality development of its corporate liability business.

Personal Deposits

During the reporting period, influenced by deposit rate cuts across the market and capital market recovery, there was a rebound in individual customers' demand for medium- and short-term deposit products. The Bank seized market opportunities and deepened the "five expertise"[8] customer management strategy. By providing financial services, including investment, financing, and settlement, it effectively facilitated fund circulation and promoted the accumulation of settlement deposits. At the same time, the Bank focused on optimizing the functions of time deposit products with maturities of one year or less, enabled automatic renewal upon maturity and allowed customers to schedule deposits according to their needs. These enhancements met diverse savings scenarios and effectively drove steady growth in personal deposits. During the reporting period, the Bank's average daily balance of personal deposits reached RMB1,520.078 billion, representing an increase of 11.87%. As at the end of the reporting period, the balances of personal deposits totaled RMB1,582.021 billion, an increase of RMB122.387 billion or 8.38% over the end of the previous year. Specifically, the balance of personal structured deposits amounted to RMB68.317 billion, a decrease of RMB3.093 billion from the end of the previous year. They accounted for 4.32% of total personal deposits, down by 0.57 percentage points year on year, reflecting continued optimization of the deposit structure. In terms of deposit cost, the Bank's personal deposit cost rate was 1.73% during the reporting period, down by 33 basis points from the end of the previous year. Looking into 2026, despite challenges from external factors such as expectations of interest rate cuts, the principal-preserving nature of deposits remains irreplaceable in asset allocation portfolios. It is expected that customers with low-risk appetites will continue to demonstrate strong demand for deposit products. The Bank will continue to optimize deposit products in line with customer needs, enhance user experience in

[8] Refers to being an expert at settlement, investment, financing, activities and services.

product purchase and position inquiry through digital channels such as mobile banking, and focus on the accumulation of settlement funds to achieve balanced development in both the quantity and pricing of deposits.

2.6.3 Net Interest Margin

During the reporting period, the Group's net interest margin was 1.63%, down by 14 basis points year on year and flat compared with the semi-annual figure. In the face of industry-wide downward pressure from the declining net interest margin, the Bank focused on the main theme of "stabilizing quantity, optimizing pricing, adjusting structure, reducing costs, improving quality, and enhancing efficiency", and further improved and upgraded balance sheet quality to maintain the stability of net interest margin. On the asset side, affected by continued LPR cuts, the interest rate reduction of existing mortgage loans in the previous year, and insufficient effective credit demand, asset prices continued to decline. The Bank aligned its interest rate pricing with market trends and implemented an asset structure strategy of "increasing high-yield assets and reducing low-yield assets". It stepped up credit extension while significantly reducing low-yield assets such as bill discounting, controlling the speed of asset yield decline. On the liability side, the Bank strictly complied with self-discipline requirements and pushed the liability cost to go down through the optimization of liability structure and the improvement of liability quality.

Looking into 2026, the Group will, on the premise of enhancing the quality and efficiency of services to the real economy, maintain its own high-quality and sustainable development and strive to preserve its net interest margin advantage. On the asset side, the Group will align with key priorities at the outset of the 15th Five-Year Plan period, focus on the "Five Priorities" of finance, optimize credit allocation, and strengthen its ability to capture market opportunities in non-credit assets to stabilize asset yields as much as possible. On the liability side, the Group will adhere to the principle of the balance between quantity and pricing, continue advancing the capability building as for trading settlement, and properly balance the scale of high-cost deposits and demand deposits to consolidate its cost competitiveness through structural optimization.

2.6.4 Non-interest Income

During the reporting period, with the guidance of "full efforts in expanding income", the Group continuously made exploration in its business development to unleash the potential in income growth, and recorded net non-interest income of RMB68.167 billion, representing a year-on-year increase of 2.44%. Specifically, net fee and commission income amounted to RMB32.772 billion, up by 5.58% year on year. By product category, bank card fees totaled RMB13.961 billion, down by 10.26% year on year, mainly due to the contraction in overall credit card transaction volume across the market. In response, the Group proactively launched diversified credit card products to meet diversified customer needs, and the transaction volume improved in the second half of the year. Agency fees amounted to RMB6.215 billion, up by 24.77% year on year, mainly driven by good growth in income from agency sales of fund, insurance and trust products. Wealth management fees totaled RMB6.135 billion, up by 45.17% year on year, mainly due to strengthened sales channel development, enhanced product quality control management, and improved customer investment experience, with growth in both the income and scale of wealth management business. Fees from custody and other entrusted businesses reached RMB3.870 billion, up by 8.25% year on year, primarily driven by growth in custody scale. Settlement and clearing fees amounted to RMB2.834 billion, up by 14.46% year on year, mainly driven by increased income from businesses such as letters of credit.

Other non-interest income amounted to RMB35.395 billion, down by 0.31% year on year, mainly due to market volatility and a relatively high base in the same period last year. Following years of the financial market business reform and capability system development, and amid overall heightened interest rate volatility, the Group has continued to improve its refined management, broadened and deepened its trading strategies, proactively optimized medium- to long-term asset allocation across major asset classes to improve transaction processing efficiency and made in-depth use of more trading strategies. In the second half of the year, investment income increased quarter on quarter. The Group remains confident in leveraging its professional expertise to further capture market gains.

As 2026 marks the first year of the 15th Five-Year Plan, under the policy environment of expanding domestic demand, stimulating consumption, fighting against involution and promoting high-quality development, the Group will further strengthen its capability system development in wealth management, integrated financing, and the financial market, and continuously expand diversified sources of income, so as to maintain the steady growth of non-interest income.

2.6.5 Asset Quality in Key Areas

During the reporting period, the Bank adhered to a structure-based approach, with a focus on asset quality, coordinated development and security, strengthened comprehensive risk management, and maintained overall stability in asset quality. The Bank effectively prevented and mitigated risks in key areas. In implementing the urban real estate financing coordination mechanism and a package of debt resolution policies, it enhanced business related to real estate and local government to continuously optimize business structure and accelerate risk disposal. Focusing on key links such as customer and channel access and near maturity management, it enhanced retail business risk control to ensure sound asset quality. As at the end of the reporting period, the balance of the Group's NPLs amounted to RMB67.216 billion, representing an increase of RMB0.731 billion compared with the end of the previous year. The NPL ratio stood at 1.15%, down by 0.01 percentage point from the end of the previous year.

2.6.5.1 Risk Control for Corporate Real Estate Loans

The Bank resolutely implemented the decisions and plans of the CPC Central Committee and the State Council, and adapted to the new landscape marked by significant changes in the supply-demand dynamics of China's real estate market. It fully implemented the long-term mechanism of real estate and, under the overall strategy of "improving quality, stabilizing existing quantity, and optimizing increment", anchored to asset fundamentals to help foster a new development model for the real estate sector.

The Bank maintained a stable supply of real estate development loans. Committed to the principle of unswervingly consolidating and developing the public sector and unswervingly encouraging, supporting, and guiding the development of the non-public sector, the Bank treated state-owned and private real estate enterprises equally in meeting their reasonable financing demand. It took into account regional distribution, customer profile, and project layout, and selectively expanded incremental business for high-quality real estate developers in economically advantaged regions. And supports were given to affordable housing projects and improvement housing projects that meet the standards of "good housing". The Bank proactively implemented the work requirements of the

urban real estate financing coordination mechanism, leveraged the "whitelist" under the financing coordination mechanism, and actively cooperated for the successful "delivery of housing projects". It continued to implement real estate support policies, including the 16 measures put forward by the People's Bank of China, and supported qualified developers in extending development loans and adjusting repayment schedules to facilitate project completion and delivery.

As at the end of the reporting period, the balance of the Group's corporate real estate financing bearing credit risk, including loans, bank acceptance bills, letters of guarantee, bond investment, and non-standard investment, amounted to RMB380.525 billion, representing an increase of RMB8.854 billion compared with the end of the previous year. Among this, the balance of corporate real estate loans was RMB297.453 billion, up by RMB12.304 billion from the end of the previous year, accounting for 9.03% of the Group's corporate loans, down by 0.78 percentage points from the end of the previous year. By project location, 80% of the Bank's corporate real estate loan projects were located in key areas such as the Beijing-Tianjin-Hebei region, the Yangtze River Delta, the Guangdong-Hong Kong-Macao Greater Bay Area, and the Chengdu-Chongqing Economic Circle. The balance of the Group's corporate real estate financing not bearing credit risk, such as agency distribution and wealth management funds, amounted to RMB97.158 billion, an increase of RMB4.783 billion from the end of the previous year.

Looking into 2026, the Bank will continue to implement real estate industry policies and regulatory requirements, and prudentially carry out real estate business. It will pay close attention to macro policies on real estate, strengthen market research and forward-looking judgments, and take timely actions to optimize internal management measures accordingly to promote the orderly and sound development of its real estate business.

2.6.5.2 Risk Control for Personal Housing Loans

The Bank actively implemented national and regional policy requirements to meet the reasonable housing needs of home buyers and achieve steady development of its personal housing loan business. During the reporting period, the newly granted personal housing loans in first- and second-tier cities accounted for 82.17% of the Bank's total newly granted personal housing loans, an increase of 1.65 percentage points year on year. As at the end of the reporting period, the balance of personal housing loans amounted to RMB1,087.671 billion, up by RMB55.090 billion from the end of the previous year, maintaining a leading position among peers. Specifically, the balance of personal housing loans in first- and second-tier cities accounted for 76.35% of the balance of the Bank's total personal housing loans at the period-end, up by 0.19 percentage points from the end of the previous year. As at the end of the reporting period, the NPL ratio for personal housing loans was 0.41%, down by 0.08 percentage points from the end of the previous year while the special mention ratio stood at 0.47%, up by 0.08 percentage points compared with the end of last year. With collateral values providing sufficient coverage for the outstanding exposure and remaining stable with an improving trend, the overall risk of personal housing loan business was under control.

In 2026, the Bank will continue to implement national real estate policies, strengthen asset quality control, and focus on preventing and controlling risks in second-hand housing mortgages. It will continuously enhance digital and intelligent risk control strategies to genuinely meet customers' mortgage needs. Additionally, it will continue to expand and deepen the implementation of differentiated policies and refine risk control policies across customer segments, regions, and channels to achieve balanced growth in both business scale and asset quality.

2.6.5.3 Risk Control for Local Government Financing Platform

During the reporting period, the Bank implemented the decisions and plans of the CPC Central Committee and the State Council regarding the resolution of local government debt risk. It leveraged a package of debt resolution policies to actively and orderly resolve local government hidden debt and prudently reduce high-risk credit extension when appropriate. Focusing on opportunities arising from the reform and transformation of financing platforms, the Bank adhered to the baseline of compliance and prudence and employed multiple measures to mitigate operational debt risk of financing platforms. In line with market-oriented and law-based principles, it supported the transformation and development of financing platforms, continuously optimized credit structures, and effectively prevented credit risks.

As at the end of the reporting period, the Bank's balance of local government hidden debt stood at RMB75.364 billion, down by RMB62.539 billion from the end of the previous year. The credit structure was sound. By region, the proportion of local government hidden debt in economically developed regions such as eastern, southern and central regions of China was about 65%; by administrative level, the proportion of local government hidden debt in prefecture-level cities and above was about 59%, and nearly 82% of local government hidden debt at the district and county levels was concentrated in the eastern region. Asset quality was controllable. The NPLs amounted to RMB0.145 billion, the NPL ratio was 0.19%, and the ratio of special-mention loans was 1.23%, all lower than the average of corporate loans across the Bank.

2.6.5.4 Risk Control for Personal Consumption-Related Loans

Risk Control for Personal Consumer Loans

As at the end of the reporting period, the Bank's balance of personal consumer loans (excluding credit cards) amounted to RMB266.486 billion. The NPL ratio for personal consumer loans was 2.80%, up by 0.66 percentage points from the end of the previous year. Affected by the current economic environment and relatively weak income expectations, the NPL ratio experienced certain fluctuations. In response, the Bank continued to refine its corporate customer selection mechanism, strengthened entry review and full-lifecycle management, and focused on loan extension to high-quality customer segments to drive overall improvement in business quality. Meanwhile, the Bank established a differentiated asset quality management framework. Leveraging multidimensional and panoramic monitoring across products, customer segments, regions, and channels, the Bank dynamically deployed and iterated risk control strategies based on data-driven insights to continuously optimize its target customer structure.

Risk Control for Credit Card Business

The Bank adhered to a prudent risk management appetite for its credit card business and further advanced the integrated development of its risk control. For incremental businesses, the Bank adopted a target customer-oriented approach, implemented differentiated regional risk strategies, expanded its presence in high-quality scenarios, and strengthened entry control for new customers. For existing businesses, the Bank increased credit support for high-quality, low-risk customers, strengthened management and disposal of high-risk assets, and optimized both customer and asset structures. It also continuously enhanced the development of its multi-tiered debt recovery system featuring "collection, litigation, and mediation", and adopted multiple measures to reduce non-performing assets. As at the end of the reporting period, the Bank's credit card NPLs amounted to RMB12.118 billion, a decrease of RMB119 million from the end of the previous year. The NPL ratio was 2.62%, up by 0.12 percentage points from the end of the previous year. In 2026, the Bank will continue to strengthen full-process digital risk control capabilities in its credit card business, expand the application of AI large models in risk control, and enhance the effectiveness of risk identification. The Bank will adhere to a target customer-oriented approach, deploy differentiated regional strategies, and provide policy support for high-quality scenarios while strictly controlling customer entry. It will optimize the dynamic allocation of credit resources, strengthen in-process risk monitoring and proactive defense mechanisms, accelerate the development of in-house collection teams, and actively dispose of non-performing assets to ensure stable and controllable asset quality in the credit card business.

2.6.6 Formation and Disposal of Non-performing Assets

During the reporting period, the Group firmly committed to the primary task of promoting high-quality development, pursued progress while maintaining stability, actively and effectively addressed various risks and challenges. As at the end of the reporting period, the amount of the NPL generated was RMB66.315 billion, an increase of RMB3.906 billion year on year, and the NPL formation ratio was 1.15%, an increase of 0.04 percentage points from the end of last year, mainly because the macroeconomic environment and the transformation of the real estate market led to an increase in the formation of non-performing personal loans.

Aiming to reduce losses, increase efficiency, and create value, the Group adhered to the principle of "controlling the formation and disposing the existing amount", continued to refine its business philosophy, seized the market and policy opportunities, strengthened the refined management of non-performing assets, and enhanced the disposal efficiency and effectiveness. During the reporting period, the Group actively broadened the disposal channels, intensified the use of market-oriented disposal methods, adopted a comprehensive NPL disposal approach, including recovery, transfer, write-off, and restructuring and disposed of NPLs totaling RMB87.790 billion, including RMB19.103 billion through regular write-offs and RMB42.516 billion through non-performing asset securitization.

2.6.7 Business Synergy

During the reporting period, the Bank adhered to the business philosophy of "One CITIC, One Customer", focused on the "Five Priorities" of finance and the "Five Leading" strategy, and continued to strengthen Group-wide collaboration mechanisms and enhance the value contribution of collaboration. Synergies across the Bank were unleashed at a faster pace, business empowerment delivered more tangible results, and the momentum for high-quality development was further reinforced.

Group synergy reached a new level of quality and effectiveness. During the reporting period, joint financing reached RMB3.34 trillion, representing an average annual growth rate of 15.04% year on year. Cross-selling (including corporate and interbank businesses) reached RMB137.993 billion, up by 29.24% year on year. The Bank continued to enhance the brand influence as the top choice for both outbound and inbound travelers. It successfully hosted a series of events, including "Nanjing Tour of German Enterprises", "Guangdong Tour of Cross-border Enterprises", "Shaanxi Tour of Foreign Enterprises", and "Chongqing Tour of European Advanced Manufacturing Enterprises". As at the end of the reporting period, the "China Tour of Foreign Enterprises" cross-border event series facilitated the signing of 170 projects of the Bank with a total contracted amount exceeding RMB310.0 billion, significantly strengthening the demonstration effect of its cross-border financial services.

Innovative synergistic models set benchmarks in the market. The synergistic service model of "financing + industry + intelligence" was further enhanced and expanded, effectively supporting key areas such as local economic development, rural revitalization, and green development. The innovative "finance + industry" synergistic service model delivered benchmark projects in regions including Xining in Qinghai province, Lu'an in Anhui province, and Yuxi in Yunnan province, precisely aligning with local development needs. CITIC's comprehensive synergistic service capabilities received high recognition from local governments. The coordinated model that integrates "financing, intelligence, industry, construction and sales"[9] for rural revitalization was selected as a "Typical Case of Financial Support for Agriculture" by the Ministry of Agriculture and Rural Affairs, forming a replicable demonstration model for financial services supporting rural revitalization.

New breakthroughs were secured in key collaborative businesses. The Bank deepened collaboration with CITIC Group's financial subsidiaries and successfully delivered flagship projects such as supporting the high-quality development of Leapmotor Technology and facilitating JA Solar Technology's employee stock ownership plan. The Bank also innovatively expanded industry-finance cooperation. It entered into a strategic cooperation agreement with CITIC Heavy Industries to provide solutions for supply chain management, cross-border management, and treasury management, and supported CITIC Dicastal in enhancing operational efficiency and optimizing costs.

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[9] "Financing" refers to closely aligning with customers' production and operational scenarios to meet their diverse financing needs. "Intelligence" focuses on customers' industrial planning scenarios by providing specialized consulting services. "Industry" centers on business development scenarios to support the upgrading of the agricultural industry. "Construction" delivers one-stop infrastructure services tailored to agricultural construction needs. "Sales" refers to expanding agricultural product sales channels in product distribution scenarios by combining online and offline platforms.

Deepened regional synergy to deliver solid results. In the Beijing-Tianjin-Hebei region, the Bank successfully hosted the Third Beijing-Tianjin-Hebei Industrial and Supply Chain Matchmaking Event, which strengthened the brand of "CITIC Synergy for Stronger Industrial Chains". Integrated development in the Yangtze River Delta advanced steadily, further enhancing the Bank's overall competitiveness in the region. In the Guangdong-Hong Kong-Macao Greater Bay Area, the Bank actively supported the layout for cross-border and innovation-driven development, focused on key areas such as technology finance and wealth management, and continuously elevated coordinated regional development to a new level. In the Chengdu-Chongqing region, the Bank integrated into the development of the economic circle and facilitated the industrial transfer and relocation projects. For the northeastern region of China, which was included in the key regional development framework for the first time, the Bank established a synergistic mechanism linking eastern coastal branches with branches in northeastern China to empower business development in the northeastern region.

2.6.8 Application of Artificial Intelligence

With the goal of achieving comprehensive intelligent transformation of business, the Bank established a coordinated development model integrating "large models + small models", upgraded its artificial intelligence (AI) foundation and service capability framework, and advanced the "AI+" initiative. It constantly deepened the "AI + Finance" integrated innovation, built an enterprise-level AI service ecosystem and strove to become a "leading digital and intelligent bank".

In terms of platform capabilities, the Bank continued to upgrade its "CITIC Brain" small-model platform, provided eight automated modeling scenarios and established a full-lifecycle management system for decision-making-oriented models. More than 660 intelligent data models were launched, achieving large-scale application in areas such as intelligent recommendation, smart customer service, quantitative trading, and early warning for risk control. **The large-model technology foundation was further strengthened**. A Bank-wide large model-enabled joint office integration team was formed, and a comprehensive platform system covering model training and inference, AI application development, and knowledge management was established. More than 20 mainstream domestic open-source models, including DeepSeek, were deployed across scenarios, delivering over 120 application scenarios in areas such as intelligent customer service, smart investment research, and smart operation.

In terms of application scenarios, the Bank actively explored new paradigms of AI empowerment in key areas, including customer marketing, management decision-making, operation, and risk control, establishing more than 1,700 intelligent service scenarios. During the reporting period, intelligent models achieved efficiency gains equivalent to over 17,000 person-years across the Bank. **In the area of "AI + business management"**, the Bank developed the "Thousand Enterprises, Thousand Profiles" intelligent financial solution powered by large models. By integrating massive customer information, the Bank generated comprehensive and targeted service plans to enhance frontline marketing quality and efficiency. **In the area of "AI + management"**, the Smart Asset-Liability Management 2.0 system was implemented in management and decision-making processes, enabling "targeted, all-encompassing, and timely" monitoring of asset-liability management indicators. **In the area of "AI + operations"**, the Bank leveraged the combined capabilities of small and large models to empower centralized processing of corporate account opening and account change services. A new operational model was fully established and the efficiency of centralized operations increased by more than twofold. **In the area of "AI + risk control"**, the coordinated application of large and small models assisted the Bank in the formulation of risk resolution plan reports tailored for each

branch, and enabled intelligent attribution analysis of institutional risk management. In the credit approval process, a virtual credit review expert was introduced to utilize large-model technology to automatically generate review reports and support decision-making in credit approval.

2.7 Implementation Status of the Development Plan

2025 is the final year of the 14th Five-Year Plan period. This year, the Bank firmly implemented the decisions and plans of the Party Central Committee, pursued progress while ensuring stability, delivered results with excellence, and successfully completed main tasks.

Serving the national agenda with tangible results. The Bank remained true to its fundamental aspiration and mission of serving real economy, deeply understood the political and people-oriented nature of financial work, closely followed national policy orientations, and channeled more financial resources to the core areas of building a modern economic system. The increase in RMB-denominated general corporate loans reached a historic high, with lending in key areas such as green credit, medium- and long-term manufacturing, and strategic emerging industries all growing by over 10%. Through concrete actions, the Bank demonstrated its commitment to serving national priorities. The Bank systematically advanced the "Five Priorities" of finance. For **technology finance**, the Bank focused on loan issuance and system development, comprehensively enhancing service quality and efficiency. The balance of technology loans was RMB1,072.902 billion, an increase of 14.75%. For **green finance**, the Bank achieved breakthroughs in multiple areas, including green loans, green underwriting and investment, green leasing, green wealth management, carbon finance, and transition finance. For **inclusive finance**, the Bank continuously improved the standardized product system of "CITIC Easy Loan" with the balance of inclusive loans to small and micro enterprises standing at RMB644.306 billion, an increase of 7.42%. For **pension finance**, the Bank continuously optimized the "financial + non-financial" service system and more than doubled the loans to the elderly care industry. For **digital finance**, the Bank actively built a "digital community" that closely integrates finance with digital livelihood and digital industries, with a balance of loans to the digital economy core sector[10] reaching RMB246.782 billion, up by 18.92%.

Strengthening and consolidating the foundation for development. The Bank closely followed the "four business themes" and the management requirements for cost reduction, achieving balance across multiple objectives of quantity, pricing, quality, customer care, and efficiency. The advantage achieved by **"stabilizing interest margin" was consolidated**. The Bank continued to promote the effective management system centered on driving down the liability cost to optimize asset structure and stabilize the interest margin from both ends, with the net interest margin of the year at 1.63%, down by 14 bps, and the absolute margin was higher than the overall level in the banking industry by 21 bps. The efforts in **"stabilizing asset quality" was sustained**. The Bank continuously improved the comprehensive risk control management system which effectively controls the risks and promotes development, thoroughly advanced the combination of "five policies", and insisted on controlling the new formation and disposing the existing amount, with both the rates of non-performing and special-mention loans, as well as overdue loans declining compared with the end of last year. The task of **"expanding fee-based business income" showed significant progress**, with the sources of fee-based income continuously expanded and diversified and the structure of fee-based income continuously optimized. During the reporting period, the non-interest net income was RMB68.167 billion, a year-on-year increase of 2.44%; the net fee-based income and commissions was RMB32.772

[10] According to the statics of PBOC.

billion, a year-on-year increase of 5.58%. The Bank pushed forward **"customer base expansion" in both quantity and quality**. It continued to advance the establishment of a classified and hierarchical customer management system and adhered to differentiated, refined and professional segment-based operations, thereby steadily strengthening the foundation of customer groups. Corporate and personal customers increased by 9.59% and 4.86%, respectively, compared with the end of last year. Measures for **"cost reduction" were strong and effective** to further advance the refined control of operating costs, and both the operating expenses and cost to income ratio declined year on year.

Firmly and resolutely executing strategies. A leading wealth management bank. The Bank adhered to a customer-oriented and value-driven approach and followed the development path of "Three Comprehensives, Five Expertise, Four Rings and Two Wings"[11] to drive a 14.29% growth in the balance of retail management assets. **A leading comprehensive financing bank**. The Bank comprehensively strengthened the development of the ecosystem, with a 5.41% growth in the balance of comprehensive financing. It strengthened the full-chain mechanism of bond "underwriting + investment + trading", leading the market in terms of the underwriting scale of debt financing instruments; it extended and expanded the value chain of equity and loan linkage and maintained the leading position among joint stock banks regarding the scale of stock repurchase and shareholding increase loans. **A leading trading settlement bank**. The Bank built five major platforms for customer treasury management services and fund settlement services, integrated product structure from customers' perspective, created industry-specific service solutions, and continuously enhanced comprehensive trading settlement service capabilities. The number of trading settlements and transaction volume increased by 16.30% and 9.86% year on year, respectively. **A leading forex service bank**. The Bank comprehensively deepened its product portfolio, launched an action plan for the cross-border business management system, and established a cross-border financial center. The balance of cross-border loans registered a 59.94% increase from the end of last year. The volume of foreign exchange settlement and sales on behalf of customers registered a growth rate 10.17%, the highest in recent years. **A leading digital bank**. The Bank launched and maintained stable operation of its largest system cluster, namely the corporate business system cluster "Galaxy", achieving full-process business reengineering and breakthroughs in core technologies in the area of corporate credit. It built an industry-leading cloud-native technology platform (Cangqiong) and was awarded the First Prize of the Financial Technology Development Award by the People's Bank of China.

Strengthening the defense line of risk control. The risk management system that is "effective in controlling risks and promoting development" was continuously improved. The Bank further built up "Five Policies", fully leveraged the value of industry research, focused on strategic cores and key areas, actively supported the growth of certain industries, and continuously optimized the structure of its retail products. Driven by the implementation of the advanced approach for capital measurement, the Bank's comprehensive risk management system advanced rapidly, the management mechanism for systemically important banks continuously improved, internal evaluation models and operational risk management systems were fully optimized, and the accuracy of risk measurement and the standardization of management significantly increased. The Bank enhanced the quality and efficiency of the entire credit management process, implemented a new model for consolidated credit granting, strengthened four-tier customer classification and proactive post-loan management, and reinforced proactive reduction and exit management of customer relationships with low contribution and low

[11] "Three Comprehensives" refers to comprehensive customer coverage, comprehensive products and comprehensive channels; "Five Expertise" refers to being an expert at settlement, investment, financing, activities and services; "Four Rings" refers to segment integration, Bank-wide coordination, Group-wide synergy and external connectivity; "Two Wings" refers to digital and ecosystem-based development.

efficiency. The Bank advanced the development of the consolidated risk management system in depth, and relied on system development to advance substantial look-through management of major risks. Through evaluation and analysis of "tailored policy for each company", it further enhanced the precision of consolidated risk management.

Making progress in compliance governance. The Bank focused on the core task of developing a "Five Leading" bank in its compliance work and thoroughly implemented the "3536"[12] measures to ensure lawful and compliant operations and high-quality development. **Upgrading the "Tenth Anniversary of the Season of Risk Compliance Culture"** event. The Bank launched the brand of "Party Building Leadership · Compliance Safeguard". Leaders at all levels took the lead in carrying out more than 310 risk compliance promotion events, covering all levels with over 26,000 compliance training and warning education sessions. **Promoting the improvement of the management system and mechanism for the banking group**. The Bank fully implemented the "1+1+N"[13] new compliance management model for subsidiaries, advancing the integrated development of compliance management between the parent company and its subsidiaries. **Coordinating and promoting the rectification of issues identified in regulatory supervision**. The Bank strictly supervised the rectification of issues across three levels: the Head Office and branches, domestic and overseas institutions, and subsidiaries, effectively leveraging rectification efforts to promote governance. **Upholding compliance bottom lines to safeguard business development**. The Bank strengthened the identification and assessment of compliance risks for new products, new businesses, important policies, and mandatory review items required by regulators, supporting business innovation within the compliance framework.

Continuing to optimize management system. The Bank firmly established the concept of value-growth-oriented human resources, deeply integrated human resource management into its overall strategic development, focused on strategic tasks such as "Five Priorities" of finance and building a "Five Leading" bank, and systematically developed a human resource strategic support system aligned with development needs, and allocated resources, cultivated talent, built teams, and optimized assessment in key strategic areas. The Bank promoted the conclusion of the *14th Five-Year Plan for Talent Development of China CITIC Bank*, comprehensively cultivating, attracting and effectively utilizing talented personnel, and promoting the alignment of talent development with business development. The Bank emphasized capability and value contribution, fully implemented human resource management reform, improved platforms for talent growth and development, and optimized incentive and restraint mechanisms in multiple dimensions to further unleash endogenous growth momentum.

Continuing to improve the quality and efficiency of audit supervision. Focusing on overall development goals, the Bank adhered to both risk-oriented and mission-oriented approaches, continuously deepened audit transformation, and advanced, in an integrated manner, issue identification through audit and follow-up supervision and rectification, thereby improving the quality and efficiency of audit supervision.

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12 That is, enhancing the value in three areas: "ensuring safety, promoting development, and strengthening the role as a hub", advancing the development of "five systems" for compliance and internal control, implementing three major special initiatives, and effectively carrying out six key tasks.

13 That is, one basic system of *Compliance Management Measures for Consolidated Subsidiaries of China CITIC Bank*, one copy of guiding opinions, the *2025 Guiding Opinions on Subsidiary Compliance Management*, and N annual key work lists.

2.8 Implementation Status of the "Five Leading" Bank Strategy

2.8.1 A Leading Wealth Management Bank

The Bank closely followed changes in customers' wealth needs and market trends, adhered to a customer-oriented and value-oriented approach, and focused on building systemic advantages in retail business, striving to become a "leading wealth management bank". As at the end of the reporting period, the balance of retail assets under management (at market value) of the Group stood at RMB5.36 trillion, an increase of 14.29% from the end of the previous year.

The Bank comprehensively upgraded the business operation system. The Bank strengthened the professional capabilities of wealth management and asset allocation services, optimized the structure of AUM growth, maintained growth momentum in the wealth management business, and achieved rapid growth in the holdings of publicly and non-publicly offered funds. Wealth management revenue and fee-based income of the year significantly increased compared with the previous year. Personal deposits achieved balanced growth in both volume and price, with increases in the proportion of demand deposits and short-term time deposits, driving further improvement in the deposit cost ratio. **The Bank deepened the tiered customer management system**. It refined the "Acquisition – Upgrading – Retention" management system for all customer segments: ordinary, wealthy, VIP and private banking. The scale of upward transfer of ordinary, wealthy and VIP customers all increased year on year, while the annual growth of private banking customers hit a record high for two consecutive years. **The Bank accelerated the digital and intelligent transformation of sectors**, and promoted the implementation of nine key digital projects in the retail sector. The average monthly effective customer reach of the "one horizon" platform business strategy increased by 30% over the end of last year. The AI wealth advisor "Xiao Xin" served over 7.91 million customers in total with the service satisfaction exceeding 95%. The digital risk control system for the personal loan business, with "modular-based division of labor and standardized operation", was more complete. The "large and small models-enabled dual-engine intelligent risk control" of credit cards was awarded the second prize of the Financial Technology Development Award by the People's Bank of China.

The Bank focused on building the "three business cards". **In terms of asset management**, the Bank adhered to an integrated "dual wheel-driven" model of "multi-asset and multi-strategy portfolio investment + investment advisory services". The Bank continued to improve its investment research capability to build the companion style wealth management service covering the full life cycle and realize steady increase of its customer with positions as well as the profits created for them. **In terms of private banking**, the Bank upgraded the tiered management system for private banking customers centered on account attribution, intensive management, and full-chain enhancement. The retention rate of private banking customers under intensive management continued to improve. **In terms of consumer finance**, the Bank actively supported the initiatives to expand domestic demand, boost consumption, and improve people's livelihood by focusing on affordable housing, new energy vehicles and other essential livelihood scenarios. The annual increase in personal housing loans maintained a leading position among joint-stock banks. The proportion of acquisition of credit card customers through high-quality scenarios of dining, accommodation, transportation, entertainment, and shopping increased to 44.74%. The Bank deepened cooperation with leading Internet platforms, driving an increase in both the proportion of online transaction volume and the scale of scenario-based installment payments compared with the end of last year.

The Bank focused on strengthening the "two specialties". For pension finance, the Bank improved financial support for the third pillar of the pension system, with the number of personal pension account openings increasing by 34.08% compared with the end of last year. It actively iterated the "Happiness +" pension finance service system, introduced pension planning solutions, and strengthened the age-friendly financial service infrastructure. **For going abroad finance**, the Bank further forged its brand as the "preferred choice for both outbound and inbound visitors", strengthened cooperation with foreign embassies in China, tourism bureaus, international card organizations, among others, and accurately matched customers' diverse cross-border needs. By introducing convenient products for foreign nationals to purchase foreign exchange and remit salaries, and supporting innovative measures such as the launch of foreign card "tap-and-go" services at Beijing Subway and Guangzhou Metro, the Bank continued to enhance financial services for people coming to China with its going global finance customers increasing by 10.79% compared with the end of last year.

The Bank fully unleashed the synergistic value. **The Bank strengthened the integration of corporate banking and retail banking**. Centering on premium corporate service scenarios, the Bank customized industry-specific service solutions, with priority given to head-office to head-office nationwide payroll disbursement projects. The number of newly signed enterprises with over 1,000 employees on payroll services and those with over 100 employees on payroll services demonstrated relatively rapid growth year on year, contributing to the consistent increases in the number of effective payroll individual customers and payroll disbursement amount. **The Bank deepened the linkage between debit cards and credit cards**. The number of customers with both debit cards and credit cards continued to increase, and the proportion of credit card customers acquired through branch channels has increased for five consecutive years.

2.8.2 A Leading Comprehensive Financing Bank

During the reporting period, the Bank focused on enhancing comprehensive financing service capabilities, continuously strengthened the development of the "commercial banking + investment banking + collaboration + matchmaking" ecosystem, and consistently improved the quality and efficiency of services to the real economy. As at the end of the reporting period, the balance of comprehensive financing of the Group stood at RMB15.06 trillion, an increase of 5.41% from the end of the previous year.

The "greater commercial banking" ecosystem supported key areas of the real economy in a targeted manner. During the reporting period, the Bank focused on implementing the "Five Priorities" of finance, with emphasis on specialty tracks such as chain finance, cross-border finance, and local government bonds, and continuously enhanced the capabilities and standards of services to the real economy. For chain finance, the Bank continued to carry out special chain marketing activities for major customers, focused on key industry projects and collaboratively empowered the front line. During the reporting period, the Bank provided 53,126 enterprises with more than RMB1,865.649 billion supply chain financing in total, representing increases of 9.61% and 12.15%, respectively, compared with the end of the previous year. For cross-border finance, the Bank actively implemented the national high-level opening-up strategy, providing high-quality cross-border investment and financing services for enterprises going global. The number of customers with three types of cross-border accounts (NRA/FT/EF) increased by 30.12% and the balance of cross-border loans increased by 59.94% compared with the end of the previous year. Focusing on the central and national major strategies, the Bank planned in advance for the "15th Five-Year Plan" period. Centering on emerging

areas such as low-altitude economy, new-quality productive forces, and new infrastructure, the Bank provided financial services as for local government special bonds and government investment funds to governments at all levels, helping them effectively expand financing channels and fully ensuring the implementation of national major strategic projects.

The core competitiveness of the "greater investment banking" ecosystem reached a new level. Focusing on the two key areas of the debt capital market and the equity capital market, the Bank aimed to build mechanisms and systems adapted to market competition to solidly strengthen its moat in the capital market business. **As for the debt capital market,** driven by system upgrades and customer base expansion, the Bank strengthened the development of the full-chain mechanism of "underwriting-investment-transaction", integrated bond underwriting innovation capabilities with support for the development of key sectors, and created a CITIC model serving high-quality development of the real economy. **As for the equity capital market**, the Bank firmly implemented the national strategy and plan for stabilizing the capital market, provided comprehensive financial services for listed companies, maintained a leading position in core businesses such as loans for stock repurchase and shareholding increase, and promoted the steady growth of capital markets business.

The potential of the "greater collaboration" ecosystem was further unleashed. The Bank continuously integrated the Group's collaborative resources. Guided by the serving the "Five Priorities" of finance, it innovated 18 collaborative support programs to serve technology finance and the private economy, aiming to drive new achievements in areas such as the development of the capital market, local economy, and rural revitalization. The Bank leveraged the advantages of finance-finance collaboration to promote the implementation of seven comprehensive financial scenario models, including loans for stock repurchase and shareholding increase for listed companies, cross-border comprehensive finance, and support for overseas expansion of automotive manufacturers, thereby enhancing comprehensive financing service capabilities for key customer groups. The Bank continuously optimized internal collaboration mechanisms, formulated a special action plan for business collaboration with CITIC Financial Leasing, and jointly established a credit coordination system among the Head Office, branches and subsidiaries to promote more efficient and smoother internal collaboration.

The "greater matchmaking" ecosystem continued to demonstrate its effectiveness in integrating market resources. Based on the perspective of "all markets, all scenarios", the Bank focused on three main lines: ecosystem building, framework planning, and scenario expansion, continuously built a resource coordination hub centered on banks, continuously enriched the full-spectrum product matrix integrating "financing + intelligence", deepened cooperation with leasing, insurance, securities, AMC, trusts and overseas institutions, integrated the advantages of all parties, cultivated high-value scenarios, strengthened the output of comprehensive financing capabilities, and achieved development in both quantity and quality. The Bank deeply explored the asset needs and funding channels of its corporate customers and built a matchmaking platform. During the reporting period, the scale of the Bank's matchmaking business under custody increased by RMB107.337 billion. The Bank continued to engage in the establishment of a private equity fund ecosystem. The scale of newly registered equity funds under custody totaled RMB166.834 billion.

2.8.3 A Leading Trading Settlement Bank

During the reporting period, the Bank steadily advanced the development of a "leading trading settlement bank", focusing on the two main businesses of settlement and financing. By promoting financing through settlement and supporting settlement through financing, the Bank steadily enhanced its comprehensive trading settlement service capabilities through platform building, product offerings, scenario promotion, and management enhancement. As at the end of the reporting period, the number of the Bank's transaction banking customers reached 1,358.1 thousand, an increase of 10.60% compared with the end of the previous year; the trading settlement amount reached RMB195.24 trillion, a year-on-year increase of 9.86%.

The Bank built a platform to form a complete service map of the "five major trading settlement platforms". The Bank strengthened Xiao Tianyuan and Tianyuan Treasury as customer treasury management service platforms, and positioned corporate online banking, mobile banking and corporate-bank direct connect as customer fund settlement service platforms, promoting the internal ecological integration of the two types of platforms and external ecological connections. During the reporting period, Xiao Tianyuan was upgraded, fully meeting the digital development, upgrade and integration needs of small and medium-sized enterprises in business management. As at the end of the reporting period, the Xiao Tianyuan platform had over 260,000 registered users, with about 55,000 monthly active users. Tianyuan Treasury, based on the new requirements of enterprise digital treasury development in the new development phase, continuously upgraded featured services such as multi-bank account settlement, launched a professional version of treasury for state-owned assets, and consecutively won the title of "Benchmark Bank for Treasury Development in China" at the Annual Conference of China Treasury. As at the end of the reporting period, the treasury acquired nearly 5,000 customers online, and the platform's annual transaction volume exceeded RMB1 trillion.

The Bank rolled out products and integrated product structure from the customers' perspective. Based on customers' operating habits and needs, the Bank established a transaction banking product structure covering three product lines of "treasury management, procurement management and sales management" and 29 products, restructured the product system, and enhanced the product synergy. The Bank strengthened the development of major products and key products, upgraded the asset pool of major products, launched the 2.0 version of "Credit Guarantee – Speedy Issuance", and developed an innovative scorecard-based approval model for supply chain order financing. At the same time, the Bank promoted the transformation of voucher-related businesses and systems, participated in the pilot program for limited recourse of supply chain notes, and expanded the application of e-CNY in multi-channel settlement scenarios.

The Bank promoted scenarios and built comprehensive trading settlement service capabilities. The Bank was deeply engaged in the consumer sector, continuously enhancing capabilities in comprehensive trading settlement services for key industries, key scenarios, and key customers. **For the automotive finance business,** the Bank continuously deepened brand cooperation and channel development, achieving broad coverage of mainstream automotive brands. It seized the opportunities arising from the rapid growth of new energy vehicles, actively optimized the business structure, and continuously strengthened market-leading advantages. As at the end of the reporting period, the number of automotive finance customers reached 9,384, with a financing balance of RMB194.429 billion. **For the high value industry of baijiu**, the Bank continuously expanded its coverage of leading liquor companies, with the scale of supply chain financing achieving double-digit growth.

For the consumer electronics industry, the Bank focused on leading brands, expanded its presence to supply chain partnership consumers, and promoted service model innovation and upgrades through cooperation with national subsidy policies, as well as coordination with credit card centers to carry out installment payment discount campaigns to further improve its ecological service capability. **For the new retail chain industry**, the service effectiveness was remarkable. The Bank cooperated with hundreds of leading chain brands in the market, and innovatively launched a financing model featuring "store expansion + procurement and inventory stocking" for franchisees to support the scaling up of chain businesses.

The Bank enhanced management and built a closed-loop for fund flow management across the Bank. Each department in the corporate banking line clarified its responsibilities and the Head Office, branches and sub-branches worked in tandem with each other at all levels, effectively improving the efficiency of internal fund handling, extending the retention period of high-quality funds, and expanding the scale of demand deposits. At the same time, the Bank strengthened collaborative marketing efforts to jointly drive the return of external funds to the Bank, thereby continuously optimizing the fund structure.

2.8.4 A Leading Forex Service Bank

During the reporting period, the Bank firmly implemented the national strategy of high-level opening-up, seized the historical opportunities presented by the RMB internationalization and the Belt and Road Initiative, leveraged collaborative advantages, built on the foundation of cross-border "settlement + financing + transaction", and comprehensively deepened the full-chain, full-scenario and full-lifecycle product portfolio and cross-border financial service system.

The Bank continued to strengthen cross-border settlement capabilities. For large multinational enterprises, the Bank continued to enhance its engagement in customers' global industrial chains, focused on the comprehensive financial needs of enterprises going overseas, and launched an overall cross-border financial service solution covering "cross-border cash pool + global cash management + foreign exchange funds + supply chain financing", providing enterprises with online cross-border settlement services through multiple channels, which have covered customers' overseas institutions in 77 countries. For small and medium-sized foreign trade customers, the Bank leveraged its first-mover advantage to further consolidate its leading position in financial services for new business forms of foreign trade such as cross-border e-commerce platforms, established three major product systems of "cross-border business + comprehensive services + remittance", and built a complete service model of "direct customer service + platform cooperation for customer acquisition". The cross-border e-commerce platform achieved a transaction volume of USD35.420 billion throughout the year, serving 126.8 thousand customers. As one of the first pilot banks for foreign exchange business reform, the Bank actively responded to the reform policies for the foreign exchange business by the State Administration of Foreign Exchange, and utilized big data, artificial intelligence and other technologies to restructure foreign exchange business processes. During the reporting period, the foreign exchange business reform was fully promoted across the Bank, the system was upgraded to Version 2.0 with functional iterations implemented, and the AI scoring card model enabled precise customer segmentation, significantly improving the level of international settlement services and customer experience of the Bank.

The Bank continued to improve cross-border comprehensive financing capabilities. The Bank focused on six major scenarios: enterprises' global supply chain layout, international trade, cross-border M&A, cross-border debt swap, overseas project contracting, and overseas fixed asset investment, and increased credit support and integrated services. As at the end of the reporting period, the balance of cross-border loans stood at RMB130.823 billion, up by 59.94% compared with the end of last year, ranking among the top of joint-stock banks in terms of growth. The Bank focused on the free trade zone (port) platforms, tapping into opportunities in cross-border and offshore businesses. During the reporting period, Shanghai branch was among the first to obtain the upgraded Shanghai FT (Free Trade Account) qualification, while Tianjin and Shenzhen Branches were simultaneously approved for FT business qualification, helping the Bank become the first joint-stock bank to achieve full coverage of FT accounts across five locations. As at the end of the reporting period, the asset placement scale in free trade zones (ports) reached RMB51.645 billion, an increase of 97.92% compared with the end of last year, achieving leapfrog growth in business.

The Bank continued to enhance cross-border transaction service capabilities. The Bank comprehensively met enterprises' need for foreign exchange and hedging. During the reporting period, the volume of agency foreign exchange settlement and sales reached USD260.188 billion, a year-on-year increase of 10.17%. The Bank upgraded the online forex trading platform "Forex Trading Express", which cumulatively served enterprises with forex trading volume of USD186.696 billion, and assisted 13,980 enterprises with "one-stop access" to handle forex hedging online. The Bank actively participated in the development of factor markets and the connectivity of financial markets, and optimized service models for cross-border institutional investors. The "Northbound Bond Connect" under Bond Connect has won the "Outstanding Market Maker" award for several consecutive years, and the scale of "Southbound Bond Connect" under Bond Connect ranked among the top custodian and clearing banks.

2.8.5 A Leading Digital Bank

The Bank steadfastly advanced the strategy of building the Bank's strength in science and technology, committed to innovation-driven development, followed the guidance of business, and promoted deep integration of business, technology, and data. Pursuing an information-based, digital, and intelligent path, the Bank made all-out efforts to build itself into a leading digital bank and fostered new growth drivers and advantages for digital competition. During the reporting period, the Group invested RMB9.641 billion in information technology, accounting for 4.53% of its operating income. As at the end of the reporting period, the Group had 5,807 scientific and technical personnel, accounting for 8.79% of the total employees. The Bank continued to unleash the vitality of sci-tech innovation, with a total of 496 authorized patents, an increase of 36.26% compared with the end of last year.

The Bank comprehensively deepened the support of digital empowerment and rolled out high-value business products on a large scale. The business-technology integration 2.0 showed significant results, with the demand compilation efficiency improved by over 30%, and both the quality and efficiency of business demand delivery were both enhanced. The Bank launched and upgraded a number of high-value digital initiatives, including the development projects of corporate credit business system cluster, Tianyuan Treasury, Intelligent Assessment Center, New-Generation Acquiring Platform (Nebula), e-Commerce Connect, Retail Business Strategy Management Platform, Centralized Operation 2.0, Smart Custody Project, etc. **In terms of retail business**, the "one horizontal" platform for retail business strategy management completed function update, deploying

over 2,300 strategies per month on average serving 35.50 million accounts of retail customers per month on average and contributing over 60% of the increment of both key product sales and AUM. The New-Generation Acquiring Platform (Nebula) achieved full online processing of the acquiring business, increasing the merchant onboarding efficiency by seven times. **In terms of corporate banking**, the Bank successfully launched the Galaxy project implemented enterprise architecture methodologies and practices, completed the reconstruction of three core systems, optimized seven major systems, and renovated 120 supporting systems, systematically reshaping the all value chain covering customer marketing, credit approval and management. The Xiao Tianyuan platform integrated "financial + non-financial" scenario services, took the lead in implementing solutions for the baijiu and automotive industries, and launched a new expense control business travel service. The number of enterprises joining the platform grew nearly by two folds compared with the beginning of the year. The Cross-Border Connect project completely redesigned the customer-facing product process experience, with active customers of online banking for international businesses increasing by 41% year on year. **In terms of financial market business**, the Bank expanded the sales and trading flow, provided a raft of comprehensive "product + service" solutions and seamlessly integrated them into customers' business development scenarios. It refined its proprietary balance sheet and drove a comprehensive upgrade of its large model-enabled AI quotation robot, leading the market in foreign exchange spot trading. It focused on building five capabilities, namely, targeted marketing, comprehensive risk control, efficient operations, valuable products and intelligent applications, for smart custody, helping assets under custody exceed RMB18 trillion.

The Bank continued to strengthen the foundation of technical capabilities and solidified the groundwork for digital development. In terms of technology foundation, the Bank established an industry-leading cloud-native technology platform and created a new modular and reusable R&D model. The containerization rate of application systems reached 95%, promoting over 500 systems in total. The Bank achieved several domestic firsts in technology and applications, providing replicable practice cases for the industry. **In terms of business foundation,** the Bank accelerated the development of the business middle platform, continuously optimized ten capability centers, including those for users and products, and provided public capability services for over 200 application systems, with a reuse rate exceeding 60%, effectively supporting the launch of key projects such as Galaxy and Nebula. **In terms of the R&D foundation,** the Bank enhanced R&D and continuous management capabilities, strengthened an R&D model integrating business, technology and data, optimized procedures for R&D and process improvement and management systems, and successfully achieved CMMI 3.0 Maturity Level 5 for R&D capability. **In terms of data foundation,** the Bank continued to strengthen the data foundation and service capabilities, and fully launched the new-generation Kunlun Big Data Platform, with the scale of real-time data assets increasing by over 50% year on year. The Bank carried out in-depth data governance, with a total of 52,000 enterprise-level dictionary data items and the business self-service data usage rate increasing to 51%, and was the first joint-stock bank to obtain the highest-level certification of the Data Management Capability Maturity Model (DCMM).

The Bank accelerated the commercialization of cutting-edge innovative achievements and built new advantages in digital transformation. In terms of industry-academia-research collaboration, the Bank implemented CITIC Group's "Operation Rock" and established the CITIC Fintech Innovation Center, with the first batch of 16 major research projects fully launched and implemented. **In terms of application of innovative technologies,** the Bank accelerated the advancement of the "Data Elements ×" initiative, and the "CITIC Easy Loan Digital and Intelligent Service" won the second prize in the national finals of the 2025 "Data Elements×" Competition in the financial services category. The "Blockchain+" trust product matrix became richer and increasingly diverse, with the financial ecosystem implemented in 88 institutions. The Bank consistently delivered successful cases for the industry and took the lead in implementing key regulatory scenarios, such as medical insurance, thereby promoting greater transparency and security across the financial ecosystem. **In terms of future technology deployment,** as the interim acceptance was completed with high standards for the national key R&D program of quantum-resistant cryptography, the Bank built a leading interbank settlement migration verification system in China. Meanwhile, the Bank, as a major participant, was successfully selected for the "Quantum + Technology Finance" project under the Ministry of Industry and Information Technology's 2025 future industry innovation task.

Digital Finance	Special Column
The Bank resolutely implemented the strategic plans on digital finance of the country, and revamped the value chain across management, business, and operations of the Bank through digitization. Driven by scenario-based, ecosystem-oriented, automated, intelligent, platform-driven, and international business development, the Bank further advanced digital finance to empower the other four priorities in finance, and continuously improved the quality and efficiency of digital financial services. As at the end of the reporting period, the Bank's balance of loans to core industries of the digital economy reached RMB246.782 billion, up by 18.92% compared with the end of last year, effectively boosting the development of the digital economy. **In terms of scenario-based development,** the Bank leveraged digital empowerment to enhance business capabilities across all scenarios and channels, and to improve system scalability. The Bank improved the standardized product system for inclusive finance across multiple scenarios, launched over 20 standardized products facing start-ups, such as "Order E Loan" and "Sci-Tech E Loan", created new products like "Logistic E Loan – Vehicle Insurance Installment", introduced a digital currency model for government procurement products, and promoted products online, achieving a total financing volume of RMB66.8 billion in the whole year. **In terms of ecosystem-oriented development,** the Bank built a three-dimensional digital ecosystem. The Bank empowered the development of sci-tech innovation finance with digital technology, established a tired and categorized management system for sci-tech innovation enterprises, developed special credit products for different types of technology enterprises, and created an intelligent ecosystem platform to help them achieve optimal allocation of ecosystem resources for enterprises. Functions such as intelligent salary calculation, invoice management and supply chain collaboration were incorporated in the "Xiaotianyuan" enterprise service platform, helping a property management company improve its management efficiency by 90% and a technology company shorten its account management time by 60%.	

In terms of automated development, the Bank systematically promoted the informatization of various manual operations and the automation of standard operations. The monitoring of risk customers was enhanced and the asset quality was maintained at a sound level through the complete and embedded risk control system for inclusive finance, upgraded digital risk control system 3.0, the automatic batch review of models and rules. The Bank advanced the automatic and smart upgrade of its financial market business, with the overall trading automation rate reaching 83%, AI big models applied in the development of quantitative strategies and the strategy development efficiency improving by 3 times.

In terms of intelligent development, the Bank strengthened the technical foundation of services on all fronts with cutting-edge AI technologies such as big model and small model. It rolled out a series of digital assistants that integrated large models and small models, including smart enterprise assistant, smart marketing assistant, digital teller assistant, the digital human "Xiaoxin", compliance AI assistant, and AI "Xiaoshen". Among them, the smart enterprise assistant was available to all employees of the Bank, helping staff access information and improve work efficiency. The smart wealth advisor digital human "Xiaoxin" served a total of more than 7.91 million customers, comprehensively improving the quality and efficiency of customer services.

In terms of platform-driven development, the Bank used a unified platform to manage the entire business process. The Bank rolled out platform service solutions such as "look-through monitoring of block chain fund" and "supply chain platform" for scenarios such as fund supervision of national key projects and financing of enterprises on the upward or downward of important industry chains, to support the industrial upgrade and integrated development. It built a standardized full-process platform support capability for corporate marketing, restructured the corporate due diligence shared service center, created a unified corporate business management platform with a public capability base for supervision and reporting, and continuously expanded AI application scenarios for the corporate MPP (Huiyong) project, improving the customer service for medium and small enterprises.

In terms of international development, the Bank strongly supported the international development of business through technology. For international business cross-border connect, the customer-facing product process and experience were redesigned, and internal digital operational capabilities were built. During the reporting period, active online banking customers in international business increased by 41% year on year, and the scale of online settlement transactions increased by 38% year on year. Based on the Tianyuan Treasury platform, the Bank connected with 20 mainstream overseas banks, continuously enhancing its cross-border payment capabilities.

The "Inclusive Finance Digital Advisor" empowering the small and medium enterprise customers segment for operational quality and efficiency enhancement	Case
To thoroughly implement the strategic plans of the CPC Central Committee on accelerating the development of China into a financial powerhouse and stay aligned with the development orientation set forth in the recommendations for the 15th Five-Year Plan of accelerating innovation in digital and intelligent technologies such as AI, the Bank innovatively launched "Inclusive Finance Digital Advisor", promoting the evolution of AI from an auxiliary tool into infrastructure that drives innovation in products, services and marketing models. Powered by the intelligent knowledge retrieval technology, the "Inclusive Finance Digital Advisor" has established a "CITIC Easy Loan" knowledge base encompassing products in five major categories. Through intelligent identification of customer scenarios, it provides online services such as workflow guidance for inclusive finance business, thereby continuously improving the accessibility and convenience of financial services and injecting strong digital finance momentum into the development of the real economy.	

2.9 Business Overview

2.9.1 Corporate Banking

During the reporting period, the Bank's corporate banking business continued to increase lending to key areas of the real economy, enhanced efforts in the "Five Priorities" of finance, and comprehensively promoted the building of a "Five Leading" bank. The Bank, by enriching and improving its product portfolio, strengthened the development of ecosystem, deepened digital and intelligent transformation, continuously enhanced the customer service experience, promoted coordinated development of scale, profitability and structure of corporate banking, and significantly improved its ability to withstand risks and cyclical fluctuations.

During the reporting period, the Bank's corporate banking business registered a net operating income of RMB91.939 billion, an increase of 2.18% compared with the previous year, accounting for 47.44% of the Bank's net operating income. Specifically, the net non-interest income from corporate banking totaled RMB12.659 billion, a drop of 10.12% compared with the previous year, accounting for 21.88% of the Bank's net non-interest income, down by 0.92 percentage points from the previous year.

2.9.1.1 Customer Management

The Bank adhered to the philosophy of customer-centric operations, steadfastly followed the customer development path of "attaching equal importance to quantity and quality", accelerated the expansion of high-quality customer groups, improved marketing guidelines and service solutions, and used AI technology to generate customized intelligent marketing plans, empowering frontline management. It continuously carried out the "CITIC Services Benefiting 10,000 Enterprises" series of activities, which continuously deepened the bank-enterprise cooperative relations. As at the end of the reporting period, the Bank recorded 1,388.1 thousand corporate customers, an increase of 121.5 thousand from the end of the previous year. Among them, 340.6 thousand were basic customers[14], and 187.8

[14] Referring to corporate customers with a daily average deposit and wealth of RMB100,000 and above in the year.

thousand were valid customers[15], up by 23.5 thousand and 12.0 thousand from the end of the previous year, respectively.

Major Customers

Leveraging the advantages of synergy of CITIC Group, the Bank took a customer-specific approach in the management of major customers by tailoring comprehensive financial service solutions for customers[16], implemented major project management, and launched innovative supply chain finance products. Focusing on major customers, the Bank worked to acquire new customers by following the supply chain and hierarchical equity chain, simplified business processes, expanded business authorization, and allocated differentiated resources. During the reporting period, the Bank continued to deepen industrial research and optimized business cooperation plans for industries such as steel, electrolytic aluminum and shipbuilding, significantly boosting the quality and efficiency of cooperation with strategic customers. The Bank continued to enhance marketing efforts for central SOEs, advance the customer-specific operations for top-tier customers, and achieved a breakthrough in cooperation with 72 high-quality groups. It further expanded the chain-based business network and systematically advanced marketing efforts across major customers' supply chains, equity chains and settlement chains. During the reporting period, the "three-chain" operation contributed 17.9 thousand new accounts.

As at the end of the reporting period, the Bank's balance of loans to major customers stood at RMB1,308.394 billion, an increase of 13.98% from the end of the previous year. The average daily balance of deposits from major customers stood at RMB1,685.535 billion, an increase of 1.61% year on year.

Government and Institutional Customers

The Bank has been committed to be "best consulting bank for local government as for finance" providing government and institutional customers at different levels and of various types with quality financial services, and strengthened partnerships with major customer groups in key fields, enhancing its business operation along the capital chain, customer chain and information chain and continuously improving the brand value of government financial services of CITIC Bank.

During the reporting period, the Bank comprehensively deepened cooperation with governments, organized a series of activities themed "Into Government" and "Into CITIC", further improved customer service networks and expanded the government service ecosystem. It was rated "Excellent" for the first time in the assessment of all three agent services of central government fiscal receipts and payments, becoming the first joint-stock bank to sign a contract with the Ministry of Commerce. It played a positive role in practicing national strategies and advancing high-quality development. It helped address the concerns of governments with full-process services associated with local government bonds, covering major national projects and key development fields such as traffic infrastructure, new infrastructure, urban renewal, information technology, digital economy, and low-altitude economy, and participated in nearly 700 special-purpose bond issuance projects. It leveraged its advantages in custody and collaboration, and actively participated in the management

15 Referring to corporate customers with a daily average deposits and wealth of RMB500,000 and above in the year.

16 The list of major customers mainly consists of leading enterprises functioning as the pillars of national economy, single-product champion enterprises in the manufacturing industry, high-market-value listed companies, etc. Data for the reporting period and at the beginning of the period have been adjusted according to the changes in the customer list.

of government investment funds. It was deeply engaged in the digital transformation of governments, serving governments at all levels to deliver "one-stop government services", and strengthened the development of the digital government affairs product system. The Bank achieved extensive coverage across government affairs scenarios such as fiscal affairs, social security, judicial administration, housing and urban-rural development, higher-education institutions, and hospitals, as well as the rapid promotion of related products, driving the number of government and institutional customers to surpass 100,000.

As at the end of the reporting period, the Bank recorded 100.9 thousand accounts[17] of government and institutional customers, an increase of 6.5 thousand or 6.87% from the end of the previous year. The average daily balance of deposits from government and institutional customers posted RMB1,401.115 billion, an increase of RMB52.499 billion or 3.89% year on year.

Small and Medium-sized Customers

Upholding the operation logic of targeting "10, 100, 1,000 and 10,000 Customers"[18] and the business philosophy of "attaching equal importance to quantity and quality", the Bank strengthened top-level design, continued to improve the four toolkits of "policies, services, products and collaboration" and systemically advanced the building of the small and medium-sized customer group.

During the reporting period, the Bank continued to advance high-quality customer acquisition, concentrating resources on expanding key list-based customer segments, including enterprises that use specialised and sophisticated technologies to produce novel and unique products, listed companies and cross-border customers recognised by the state, the market and the industry. It carried out the "CITIC Services Benefiting 10,000 Enterprises" themed marketing campaign and hosted activities such as the "Maker in China" Small and Medium Enterprises Innovation and Entrepreneurship Global Contest. Meanwhile, the Bank deepened customer management, upgraded and launched the "Xiao Tianyuan" corporate ecosystem service platform, activated existing customers through the extensive reach and deep integration of its transaction and settlement products, and leveraged a package of measures to acquire new customers, deepen existing customer relationships, prevent customer attrition and reactivate customers, thereby continuously enhancing the scale of its small and medium-sized customer group and their contribution to business performance.

As at the end of the reporting period, the number of small and medium-sized customers[19] of the Bank reached 329.6 thousand, an increase of 22.9 thousand compared with the end of the previous year. The average daily balance of deposits from small and medium-sized customers was RMB952.258 billion, an increase of RMB67.203 billion compared with the end of last year.

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17 Due to its need for management of corporate customers, the Bank reclassified and adjusted the existing government and institutional customers, and made relevant adjustments to base figures at the beginning of the year.

18 Targeting ten most valuable customers unanimously recognized by local banks, 100 core customers with major contribution to profits, 1,000 basic customers that maintain sound cooperative relations with the Bank, and 10,000 settlement customers that maintain regular exchanges with the Bank.

19 Referring to corporate customers with a daily average corporate deposits and wealth between RMB100,000 (inclusive) to RMB50 million (exclusive) in the year, with the base figure at the beginning of the year adjusted accordingly.

Inclusive Finance	Special Column

During the reporting period, the Bank firmly upheld the political and people-oriented nature of financial work and mobilized all staff to develop inclusive finance, with good results achieved. The regulatory evaluation of micro and small enterprise financial services by the National Financial Regulatory Administration has remained at the forefront among comparable peers for five consecutive years.

The Bank continuously improved the professional organization system. The Bank leveraged the advantages of coordination mechanisms of the inclusive finance leadership group and working group, strengthened policy transmission and overall planning efficiency, formulated and implemented the *Special Action Plan of China CITIC Bank for Promoting Inclusive Finance* and the *Implementation Plan of China CITIC Bank for Supporting Financing for Small and Micro Enterprises*, actively increased the number of professional approvers and full-time customer managers, maintained the stability and continuity of assessment and incentive policies, and continuously stimulated endogenous motivation at the primary level.

The Bank continuously improved the comprehensive service system. The Bank re-examined and optimized the product system, formulated the annual product business strategy, standardized the full lifecycle management of products and systems, and launched the "Inclusive Finance e-Platform", advancing the initiative of making credit authorization, contract signing and withdrawals available online and self-service. At the same time, the Bank actively leveraged the Group's synergistic advantages to provide customers with one-stop "Credit+" comprehensive services such as financing, wealth management and settlement.

The Bank continuously improved the targeted marketing system. The Bank upgraded the smart online banking and business opportunity platforms, strengthened big data platform business collaboration with the national comprehensive credit service platform for financing small and medium enterprises and the small, medium and micro enterprises capital flow credit information sharing platform, utilized artificial intelligence technology to promote digital business tools such as "inclusive finance digital human", enhanced the accuracy of customer profiling and the upgrade of intelligent services, and reduced manual operations by customer managers, thereby effectively improving the service quality and efficiency.

The Bank continuously improved the intelligent risk control system. The Bank continued to improve its risk compliance system and management strategies, and strengthened guidance on credit policies. It conducted automated re-inspection of models and rules in batches, enhanced the management of "three checks" on loans, strengthened control over key processes and closed-loop management of funds, and monitored potential risk customers. It maintained risk tolerance, further improved the due diligence exemption system, and enhanced the practicality and execution efficiency of the system. It improved loan renewal policies and guided branches to increase support for loan renewals according to the principle of "renewal wherever applicable".

As at the end of the reporting period, the balance of loans to small and micro enterprises[20] of the Bank amounted to RMB1,790.018 billion, an increase of RMB134.155 billion compared with the end of last year; the number of customers with a loan balance was 331.9 thousand, an increase of 3.3 thousand compared with the end of last year. The balance of inclusive loans to small and micro enterprises[21] was RMB644.306 billion, an increase of RMB44.482 billion compared with the end of last year, with a loan growth rate higher than the average growth rate of all loans; the number of customers with a loan balance was 313.9 thousand, an increase of 3.5 thousand compared with the end of last year. During the reporting period, the interest rates of inclusive loans to small and micro enterprises decreased by 0.52 percentage points year on year, effectively promoting a steady decline in the overall financing costs for such enterprises at the Bank. The asset quality remained at a relatively good level.

Case	**Promoting the implementation of the small and micro enterprises financing coordination working mechanism through the mode of "Five Specials and Five Strengthens"**
	The Bank actively practiced the political and people-oriented nature of financial work. At the Head Office, the Bank established a dedicated working team, developed special plans, optimized exclusive products, carried out themed activities, and promulgated supporting policies. At the branch level, the Bank strengthened overall coordination, communication and connection, proactive pushes, effective implementation, and continuous services to promote the implementation of the small and micro enterprises financing coordination working mechanism. During the reporting period, the Bank's three-tiered institutions (the Head Office, branches, and sub-branches) fully coordinated with the government task force, formulated and implemented the *Special Work Plan for China CITIC Bank's Small and Micro Enterprises Financing Coordination Mechanism* and the operational manual, and innovatively improved the comprehensive product service system for small and micro enterprises. Relying on offline resources, such as primary-level contact points, regulatory liaison officer and financial grid officers, and with the help of the national credit information sharing platform, as well as big data service platforms such as the "Jinyu Net", the Bank organized the campaign of "Visiting Thousands of Enterprises", systematically and effectively promoted the implementation of the small and micro enterprises financing coordination mechanism, effectively broadened their access channels, and significantly improved the efficiency of connection and services. As at the end of the reporting period, the Bank granted loans nearly RMB700 billion to customers on the "recommended list" of small and micro enterprises, effectively helping these enterprises grow and thrive and contributing to the high-quality development of the real economy.

[20] Referring to loans to small and micro enterprises, as well as operating loans to self-employed individuals and small and micro business owners.

[21] Referring to loans to small and micro enterprises, as well as operating loans to self-employed individuals and small and micro business owners, with a total credit of less than RMB10 million (inclusive) per borrower.

With investment banking business as an important pillar underpinning the building of a "leading comprehensive financing bank", the Bank continued to advance the system development as well as the iteration and innovation of products, further enhancing its market position and core competitiveness. During the reporting period, the Bank recorded RMB2,091.887 billion of financing in the investment banking business[22], up by 6.73% year on year.

In terms of bond underwriting, the Bank continued to enhance its comprehensive service capabilities in the debt capital market and further built CITIC's brand as the preferred choice for bond financing. During the reporting period, the Bank underwrote 2,401 debt financing instruments with an underwriting scale of RMB904.342 billion, ranking first in the market for both the issuance number of bonds and the scale[23], and became the only financial institution in the market with a company credit bond underwriting scale exceeding RMB900 billion for two consecutive years. The Bank served more than 1,000 customers, ranking first in the market[24]. In the field of special bonds for the "Five Priorities" of finance, the Bank's underwriting scale exceeded RMB100 billion.

In terms of the capital market, the Bank upheld the purpose of serving the real economy, actively implemented the country's decisions and plans to stabilize the capital market, focused on the high-quality development needs of listed companies and market value management scenarios, and provided comprehensive financing services throughout the lifecycle of listed companies. As at the end of the reporting period, on a cumulative basis, 117 loans extended by the Bank for share buybacks and shareholding increases were announced, with a total announced amount of RMB17.072 billion, and both the number of loans and the amount ranked the first among joint-stock banks[25].

In terms of M&A business, the Bank seized opportunities related to M&A financing, and actively provided M&A financing services to support enterprises in technological innovation, industrial integration, transformation and upgrading, and assist in state-owned enterprises in reform and revitalization of existing assets. During the reporting period, in active response to the pilot policy on M&A loans for technology enterprises, the Bank launched 22 pilot projects for technology enterprise M&A that covered 13 pilot cities. In five of these cities, the Bank launched the first project either in the regional market or among the joint-stock banks, successfully establishing a first-mover advantage.

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22 During the reporting period, the statistical coverage for the financing scale of investment banking business changed, and the base figure at the beginning of the year has been adjusted accordingly.

23 According to the data of Wind Information.

24 According to the data of Wind Information.

25 According to the data from announcements of publicly listed companies.

During the reporting period, the Bank firmly implemented the central government's decisions and plans on technology finance. Relying on CITIC Group's comprehensive advantage of "full licenses in finance and full coverage in industries", the Bank established a technology finance service system characterized by "systematic institutions, tiered cultivation, specialized products, and ecosystem empowerment", comprehensively enhancing the breadth, depth and precision of services for technological innovation, and injecting financial momentum into the development of new quality productive force. As at the end of the reporting period, the Bank's balance of technology loans[26] stood at RMB1,072.902 billion, an increase of 14.75% from the end of the previous year.

Systematic institutions strengthened the foundation of services. The Bank continued to improve its matrix management architecture that integrates the Head Office, branches and sub-branches, and coordinates the front, middle and back offices. As at the end of the reporting period, the number of key branches dedicated to technology finance increased to 21, the number of pioneer sub-branches for technology finance reached 272, and 12 sub-branches were recognized as technology sub-branches by regulators, forming a three-dimensional service network of "Head Office and branch-level technology finance centers + pioneer sub-branches + technology sub-branches". By strengthening the differentiated service capabilities of pioneer sub-branches and actively leveraging the policy dividends for technology sub-branches, the Bank's coverage and operational depth for technology enterprises were continuously enhanced.

Tiered cultivation supported growth throughout the entire cycle. Targeting the high-tech and high-growth technology companies, the Bank cultivated a multi-tiered customer group of technology enterprises. As at the end of the reporting period, the Bank recorded 97.1 thousand technology enterprise customers, an increase of 12.3 thousand from the end of the previous year. Focusing on "Little Giant" enterprises that use specialized and sophisticated techniques to produce unique and novel products, as well as single-product champion enterprises in the manufacturing industry, the Bank deeply advanced its service, continuously expanding cooperation coverage. As at the end of the reporting period, the Bank's service coverage of enterprises that use specialized and sophisticated techniques to produce unique and novel products[27] at the national level reached 98.48%. The Bank precisely channeled resources to enterprises of great potential, and the coverage rate of cooperation with customers in the 2025 Zero2IPO Venture 50 list reached 60.73%.

[26] According to the statistical standards of the People's Bank of China, the base figure at the beginning of the year has been adjusted accordingly.

[27] According to the first 6 batches of enterprises that use specialized and sophisticated techniques to produce unique and novel products at the national level.

Specialized products solved financing difficulties. The Bank followed the philosophy of "selecting customers from the perspective of investment", and developed a technology finance product system featuring the collaboration between Head Office and branches. At the level of the Head Office, in collaboration with universities and research institutions, the Bank released the "loans for the commercialization of technological outcomes". Focusing on corporate technological strength, patent quality, and the research capabilities of the team as the core evaluation criteria, the Bank safeguarded the "last mile" of technology commercialization and provided crucial funding support to a number of early-stage cutting-edge technology enterprises. The Bank iterated and upgraded the scorecard-based credit approval system to Version 3.0, strengthened the promotion and application of exclusive products such as fixed asset loans for technology enterprises and intellectual property pledge financing, and took the lead in breaking new ground in areas such as technology enterprise M&A loans and the "technology board" in the bond market. At the branch level, the Bank combined regional characteristics to innovatively launch products such as investment-linked loans, talent loans, and localized scorecards, forming a complete product matrix that covers seed stage, growth stage and maturity stage of technology enterprises.

Ecosystem empowerment built a new paradigm of service. During the reporting period, the Bank continuously strengthened the collaborative advantages of the CITIC Group, providing technology enterprises with diversified and relay-style CITIC comprehensive services. Among them, the "CITIC Equity Investment Alliance" continued to unleash collaborative capacity, managing funds exceeding RMB340 billion to invest in and support over 1,200 technology enterprises and strengthen CITIC's "patient capital". At the same time, the Bank leveraged the momentum of collaboration to drive the expansion and upgrading of cooperation with external ecosystems, held a large number of ecosystem partner forums, technology enterprise roadshows and over a hundred regional networking events, successfully connected with more than 1,300 ecosystem partners, and effectively built a "five-circle" service system that brought together government, industrial parks, venture capital, research institutes, and universities.

Looking ahead to 2026, the Bank will continue to uphold its mission of serving technological innovation with finance and achieve new heights in the technology-finance service system with higher quality. First, the Bank will continue to take "specialization, professionalization and exclusivity" as the direction, further optimize the production relations of technology finance, and unleash the productivity of frontline teams. Second, the Bank will strengthen the linkage of equity, loan, bond and guarantee, vigorously leverage the advantages of the equity investment license of CITIC Bank Financial Asset Investment Co., Ltd., and build a new private equity cooperation ecosystem featuring linkage of "subsidiary – CITIC Equity Investment Alliance – external private equity institutions". Third, the Bank will improve the level of digital intelligence and fully leverage big data and artificial intelligence technologies to comprehensively enhance the digital and intelligent support for the full-process technology finance services.

"Loans for the commercialization of technological outcomes" empowered early-stage innovation commercialization	**Case**
To thoroughly implement the decisions and plans of the CPC Central Committee on promoting the transfer and commercialization of technological outcomes, the Bank launched the "loans for the commercialization of technological outcomes", to effectively address the difficulties in financing during the incubation and commercialization links, and actively built a service ecosystem integrating "technology + industry + finance". Universities and research institutes, the main force in basic research and the source of major technological breakthroughs, leveraged their abundant research resources and technological cluster advantages in the implementation of a number of hard technology achievements, playing an important role in enhancing original innovation and overcoming bottlenecks in core technologies in key fields. "Loans for the commercialization of technological outcomes" of the Bank focused on leading universities and research institutes, and provided targeted services for key stages from laboratory to industrialization of scientific and technological achievements, effectively bridging the "last mile" of the commercialization of technological outcomes, and helping transform the original innovation capability into actual productivity. At present, the Bank has advanced cooperation with multiple universities and research institutes. A group of projects have been implemented in cutting-edge technologies, including stationary batteries, unmanned aerial vehicles, semiconductor materials, and quantum magnetoencephalography, injecting financial momentum into the building of a technology powerhouse.	

International Business

The international business of the Bank followed the philosophy of providing "specialized, convenient, swift and safety" services, and continuously made efforts in the three areas of customer service, product innovation and digital upgrades, steadily promoting both quality and quantity of in its development.

The Bank deepened customer services and empowered the cross-border ecosystem in a targeted manner. Centering on customer needs, the Bank prioritized cross-border customer management and built a comprehensive service system through policy empowerment, targeted marketing and risk protection. It carried out targeted marketing on themes such as free trade finance and stabilizing foreign trade, continuously enhancing customer structure, and effectively enhanced the foundation of cross-border business. As at the end of the reporting period, the number of international business customers[28] of the Bank reached 63.6 thousand, an increase of 14.16% compared with the end of the previous year.

[28] During the reporting period, the statistical coverage for the financing scale of international business customers changed, and the base figure at the beginning of the year has been adjusted accordingly.

The Bank focused on product competitiveness, prioritized "stabilizing foreign trade", and strengthened cross-border financial service capabilities. By taking multiple measures such as enriching project financing products, improving cross-border supply chain financing scenarios, and optimizing trade financing processes, the Bank drove an 18.42% increase in the balance of international trade financing. It led the market in creating a cross-border wealth product matrix. During the reporting period, the bank completed the admission and launch of three agency sale foreign currency products, enriching its service offerings for cross-border enterprises and further broadening diversified channels for corporate asset allocation. The Bank effectively leveraged cross-border finance in supporting the Belt and Road Initiative. As at the end of the reporting period, the balance of export credits reached RMB14.328 billion, an increase of 12.31% compared with the end of the previous year. New financing countries included Mexico, Chile, as well as other countries participating in the Belt and Road Initiative and other neighboring countries.

The Bank promoted digital upgrades and reshaped the cross-border service experience. It launched a cross-border flash loan, a big data-enabled financing product, providing full-process online financing services for small and micro foreign trade enterprises. The Bank deepened the application of intelligent systems and innovatively launched an auxiliary document preparation service for export letters of credit. With the support of professional teams and intelligent systems, the Bank effectively reduced the document processing costs for enterprises.

Case	**The Bank implemented the first RMB non-sovereign syndicated commercial loan between China and Uzbekistan, helping enterprises "go global"**
	In response to the unique risk characteristics and complex transaction structures of cross-border lending, the Bank continuously enhanced its insights into international markets, global risk control capabilities, and an innovative mindset for diversified products, providing strong financing support for businesses "going abroad". J is a Chinese company which is the contractor for the construction of a hydropower station project of an Uzbek hydropower limited liability company. The Uzbek company, as the borrower, needed to complete pure commercial financing without government guarantees and resolve the project's funding issues within six months. In response, the Bank's Beijing Branch promptly set up a special task force. Through market research and multi-party assessment, it innovatively designed a financing plan featuring "parent-subsidiary collaboration" with Altyn Bank. First, the branch introduced credit insurance products from China Export & Credit Insurance Corporation (Sinosure) to address the difficulty of no sovereign guarantee with a purely commercial structure; second, through offshore RMB lending and buyer credit financing, the branch reduced the borrower's overall financing costs and helped J address exchange rate risk in the reception of foreign currency. This project is the first RMB-denominated non-sovereign syndicated loan initiated by commercial banks between China and Uzbekistan, which has received close attention from both the Chinese and Uzbek governments and is of great significance for implementing the "Belt and Road" initiative and promoting RMB internationalization.

Supply Chain Finance

The Bank adhered to the original aspiration of serving the real economy, regarded supply chain finance as an important mean of supporting the real economy, vigorously promoted industry research, product innovation and digital operations, continuously enhanced specialized service capabilities, built differentiated competitive advantages, and provided strong financial support for high-quality development of the industrial chain.

First, the Bank deepened engagement with key industry customer groups. Focusing on major consumer industries such as new energy vehicles, consumer electronics, new retail chains, and food and beverages, and centered on core enterprises and their upstream and downstream customer groups, the Bank embedded integrated services of "settlement + financing" into critical links such as industry procurement, sales and inventory, as well as high-frequency settlement scenarios such as acquiring, fund splitting and reconciliation, creating industry-specific service solutions and continuously strengthening differentiated service advantages.

Second, the Bank strengthened the development of flagship products and core products. Based on the needs of supply chain customer groups for "treasury management, procurement management and sales management", the Bank comprehensively optimized and integrated the product system, aiming for "fewer materials, shorter processes, and higher efficiency", and promoted the full product digitalization. The Bank innovatively upgraded flagship products of the asset pool, launched "Credit Guarantee – Speedy Issuance" Version 2.0, and continuously enhanced its brand influence of "For Asset Pools, Choose CITIC" and "For Letters of Guarantee, Go to CITIC". As at the end of the reporting period, the number of asset pools and domestic L/G customers both exceeded 8,000.

Third, the Bank improved the level of digital application. Based on "data-based credit" and "goods-based credit", the Bank advanced an innovative business model of "de-coring from enterprise credit reliance while remaining anchored to the core supply chain ecosystem", and used data from cash flow, logistics and information flow to conduct customer risk assessment and post-loan monitoring. Using the upstream of the supply chain as a pilot, the Bank promoted the scorecard-based credit approval system, further improving the credit-granting efficiency for small and medium-sized customers. Using the downstream of the supply chain as a pilot, the Bank established a post-lending monitoring model for distributors, continuously enhancing risk control capabilities. As at the end of the reporting period, the non-performing loan ratio of the Bank's supply chain finance was 0.11%, lower than the average level of corporate loans.

During the reporting period, the Bank provided supply chain financing services to 53.1 thousand enterprises, with the number of customers increasing by 9.61% year on year. The scale of supply chain financing reached RMB1.87 trillion, a year-on-year increase of 12.15%. The Bank maintained its leading position in the industry in both the number of customers and the scale of assets, which strongly supported the high-quality development of the Bank's corporate business.

Asset Custody Business

During the reporting period, the Bank continued to strengthen three fundamental capabilities in its asset custody business, comprehensively advanced smart operations, established a full-process internal risk control system for custody, and accelerated the digital and intelligent development of the custody business. It deepened the "+ custody" collaborative mechanism, achieving an internal closed loop for resources in the Group and the Bank. It advanced the establishment of a "custody+" ecosystem, built comprehensive service system across the investment and financing chain, and strengthened feature business area such as pension finance, continuously enhancing the added value of the custody business and exploring a path of differentiated and distinctive competition.

Further deepening engagement in the primary customer base of the asset management business. As at the end of the reporting period, the Bank's cross-border assets under custody amounted to RMB463.746 billion, an increase of RMB148.146 billion from the end of the previous year, ranking first among joint-stock banks in both total volume and increment[29]. The mutual funds under the Bank's custody recorded RMB2.93 trillion, an increase of RMB410.933 billion from the end of the previous year, ranking second among joint-stock banks in both total volume and increment[30]. The scale of trust products under the Bank's custody reached RMB3,724.603 billion, an increase of RMB781.000 billion from the end of the previous year, ranking second among joint-stock banks in both total volume and increment[31].

Vigorously implementing the "Five Priorities" of finance and integrating them into the Bank's "Five Leading" strategy. First, the Bank pressed ahead with the building of a pension finance custody service system. As at the end of the reporting period, the scale of pension finance under custody reached RMB592.743 billion, an increase of 16.75% from the end of the previous year. Second, the Bank acquired technology enterprise customers through private equity fund custody to promote the development of technology finance. Third, the Bank collaborated with overseas subsidiaries to accelerate its expansion in international markets and strengthen its leading position in cross-border business. During the reporting period, the total scale of cross-border custody and overseas custody reached RMB1.12 trillion, an increase of RMB531.484 billion compared with the end of the previous year. The Bank achieved remarkable results in building the market connectivity mechanism and became the first custodian bank with the dual settlement models for "South Bond Connect".

As at the end of the reporting period, the Group's assets under custody exceeded RMB18 trillion, reaching RMB18.61 trillion, an increase of 13.34% compared with the end of last year, ranking sixth in the market[32].

29 According to the Custodian Services Committee of the China Banking Association.
30 According to the Custodian Services Committee of the China Banking Association.
31 According to the Custodian Services Committee of the China Banking Association.
32 According to the Custodian Services Committee of the China Banking Association.

Wealth Management for Corporate Customers

The Bank was firmly committed to a customer-centric approach in building a "comprehensive, professional, leading and integrated" corporate wealth management service system. During the reporting period, **the product shelf was continuously enriched**. Based on stable and low-volatility wealth products for corporate customers, such as currency, currency +, and pure bond products, the Bank actively explored characteristic products such as fixed income + preferred shares and fixed income + broad-based index options. The Bank improved the cross-border wealth management service system and launched the first corporate foreign currency wealth product, with the scale of corporate foreign currency wealth products exceeding RMB500 million. Meanwhile, the Bank in-depth integrated the fulfillment of social responsibilities into the development of corporate wealth management business, and stepped up efforts to promote the launch and sales of technology finance, green finance, rural revitalization and charitable products. During the reporting period, the sales of the above-mentioned products reached RMB5.567 billion. **The branding and team building was steadily advanced**. The Bank organized the first "Corporate Wealth Management Festival", "Double Eleven Corporate Wealth Management Festival", etc., and hosted multiple customer salons themed "Building the Road to Wealth Together" and "Getting to Know CITIC Wealth Management". Teams of corporate customer wealth management advisors were set up at sub-branches, and training on professional capabilities was strengthened to comprehensively improve customer service quality. **Digital transformation was further deepened**. During the reporting period, the Bank completed the online signing of wealth management services and optimized the purchase experience on corporate online banking, promoting online and intelligent upgrades of wealth management services.

As at the end of the reporting period, the scale of the Bank's corporate wealth management was RMB346.419 billion[33], an increase of 60.93% compared with the end of last year. Among them, the scale of collaborative agency sales was RMB59.760 billion. The number of corporate wealth management customers reached 45.2 thousand, an increase of 42.32% compared with the end of last year, with the customer base further consolidated.

[33] During the reporting period, the scale of the Bank's corporate wealth management was calculated according to balance, and the base figure at the beginning of the year has been adjusted accordingly.

2.9.1.3 Risk Management

The Bank adhered to a steady and prudent risk appetite, focused on the goal of achieving high-quality development, continuously improved the credit risk management system of corporate lending, deepened the application of intelligent risk control technologies, strengthened full-process management before, during and after lending, and stroke a dynamic balance between risk and return.

The Bank formulated the annual credit policy based on national policies, regulatory guidance, market situation, and overall strategic planning of the Bank, proactively guiding asset allocation. The Bank was committed to serving the real economy and people's livelihoods, effectively strengthened credit support for major national strategies, key areas and weak links, made every effort to advance "Five Priorities" of finance, actively supported the building of a modern industrial system, promoted the healthy and orderly development of new-quality productive force according to local conditions, actively contributed to expand domestic demand and boost consumption, and continuously carried out business related to the implementation of major national strategies and enhancement of security capacity in key areas, as well as large-scale equipment upgrades and consumer goods trade-in programs. The Bank established a strategy research team for corporate finance, relied on the "5312"[34] industry research system to formulate customer "advance and retreat" lists and "offense and defense" plans for key industries, and achieved an asset allocation strategy featuring "well-judged advances and retreats and orderly offense and defense". The Bank promoted the transformation of research results into business strategies, further enhanced the implementation effect of the "Five Policies" working mechanism, and improved overall risk resilience while maintaining overall stability in the quality of credit assets.

The Bank continuously enhanced the effectiveness of its first line of defense. The Bank strengthened the primary responsibility of line management and reinforced the concept of compliant operations and management. It further improved the implementation of credit policies, due diligence, and post-loan management requirements, and moved the risk control gateway forward. It strengthened the professional capabilities and compliance awareness of customer managers and enhanced the capability of frontline staff to identify industry and customer risks. Through differentiated assessments and the due diligence exemption mechanism, the Bank advanced business development and risk management in a coordinated manner, and continuously strengthened the foundation for corporate credit risk prevention and control.

The Bank continuously optimized the corporate business credit approval system and mechanism. First, the Bank improved the group credit model. It ensured the accountability of the lead bank for group customers, and guided the appropriate allocation of credit assets while controlling risks. Second, the Bank deepened the application of industry research results. It conducted industry research on key areas of "Five Priorities" and further refined differentiated industry research, as well as review and approval standards (guidelines) in conjunction with regional policies, industrial structure and resource endowments, enhancing practicality and timeliness of study results and promoting the efficient implementation of the "Five Policies" working mechanism. Third, the Bank strengthened the building of professional teams. Through regular training and specialized study sessions, the Bank improved the industry assessment and risk identification capabilities of credit approval personnel,

[34] Referring to five major analysis points (industry chain analysis, technology analysis, financial analysis, market analysis, and policy analysis), three key contents (credit strategy, comprehensive service plans, and core risk control points), one set of key industry indicator system and market research customer list, and two action plans for "offense + defense".

continuously optimized mechanisms related to full-time approvers, perfected approval processes, enhanced performance evaluations, and deepened business communication, further enhancing their professional quality and efficiency of approval decision-making.

The Bank continued to advance the building of a post-loan and post-investment management system. The Bank revised the post-loan and post-investment management system, clarified the division of responsibilities among the three lines of defense, and fully leveraged the risk prevention and control of the front, middle and back offices, achieving joint prevention and control and coordinated management. It improved the management police for the four-category classification of credit customers, strengthened the application of such classification and dynamic management, and orderly reduced and exited credit business with enterprises with inefficient and outdated production capacity. It rebuilt the risk warning signal system, optimized signal thresholds, logic, and push rules, and improved accuracy and foresight. It improved the post-warning evaluation mechanism and formed a warning management evaluation system covering multiple perspectives, including management, processes, signals and customers. It optimized the early warning identification process and realized real time control of warning signal verification system. It established a risk information sharing mechanism between the parent company and subsidiaries, where risk information on cross-credit customers can be shared via system connection to jointly prevent credit risk.

The Bank continued to advance the digital transformation of credit risk management. By building a corporate credit business system cluster, the Bank integrated nine major functional modules, including customer overview, marketing opportunities, financial status, credit cooperation, and risk information, covering more than 40 business items, and delivered a unified credit management solution. By improving customer profiling and the risk warning indicator system, the Bank implemented real-time identification and graded response to risk signals, made post-loan management more forward-looking and accurate, and comprehensively improved customer information management and risk control capabilities. At the same time, the Bank strengthened the integration of internal and external data and system coordination, shifting risk management from "post-incident handling" to "pre-warning and in-process control".

As at the end of the reporting period, the balance of corporate loans (excluding discounted bills) of the Bank posted RMB3,061.253 billion, an increase of RMB381.586 billion from the end of the previous year. The NPL ratio was 1.04%, down by 0.15 percentage points from the end of the previous year. The Bank's corporate loan asset quality remained generally stable.

2.9.2 Retail Banking

Keeping abreast with market development trends and adhering to the operation logic of retail banking, the Bank enlarged its customer base, strengthened its product, optimized channel potential, improved service experience, and provided customers with comprehensive "financial + non-financial" services.

During the reporting period, the Bank's retail banking business registered a net operating income of RMB74.857 billion, a decrease of 8.52% compared with the previous year, accounting for 38.63% of the Bank's net operating income. Specifically, the net non-interest income from retail banking totaled RMB17.685 billion, a decrease of 13.05% compared with the previous year, accounting for 30.56% of the Bank's net non-interest income, down by 2.37 percentage points from the previous year.

2.9.2.1 Customer Management

The Bank adhered to high-quality customer acquisition and high-value operations, and continuously deepened the building of the retail management system, promoting constant growth in the scale of retail customers.

In terms of stratified management of customers, the Bank continuously reinforced the stratified management system for retail customers, comprehensively strengthened empowerment of digital tools and professional capabilities, and comprehensively enhanced stratified customer services to realize the chain-like customer upgrade mechanism from ordinary customers, wealthy customers, VIP customers to private banking customers. As at the end of the reporting period, the Bank had 152 million personal customers, up by 4.86% from the end of the previous year.

For ordinary customers[35], the Bank continued to promote an intensive operating model under the collaboration between the Head Office and branches. The Head Office focused on online intensive management of key customer groups, such as payroll customers and dual-card users, steadily improving the coverage and effectiveness of operation strategies for each customer segment. Branches carried out refined management for high-potential customers offline. Through Head Office-branch coordination, the Bank further unlocked the business value of the ordinary customer segment. During the reporting period, 857.1 thousand ordinary customers were upgraded to wealthy customers or above, up by 4.75% year on year.

For wealthy customers and VIP customers[36], the Bank adopted a differentiated operation strategy of expanding the base of wealthy customers while deepening the engagement with VIP customers, improved the service reach and efficiency for wealthy customers through "WeCom + Remote" model, strengthened three core capabilities of "chain-based upgrade, configuration of five main products, and advisory services", and continuously enhanced the customer service experience. As at the end of the reporting period, the Bank had 4,891.0 thousand wealthy customers and VIP customers, up by 6.60% from the end of the previous year. During the reporting period, 17.0 thousand VIP customers were upgraded to private banking customers, up by 14.92% year on year; 220.6 thousand wealthy customers were upgraded to VIP customers or above, up by 6.42% year on year.

For private banking customers[37], the Bank adhered to the concept of value co-creation and ecological win-win, deeply aligned it business with the core needs of high-net-worth customers for global asset allocation and family wealth succession, and continuously optimized a comprehensive four-dimensional service system covering "individuals, families, enterprises and society". Through specialized tiered management and refined services, the Bank advanced growth in both the scale and the value of private banking customers. As at the end of the reporting period, the number of private banking customers recorded 96.6 thousand, up by 14.93% from the end of the previous year. The average daily balance of AUM per month of the Bank's private banking customers reached RMB1.36 trillion, a year-on-year increase of 16.02%.

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35 Referring to individual customers whose average daily balance of AUM per month is less than RMB50,000.

36 Referring to individual customers whose average daily balance of AUM per month is more than RMB50,000 (included) and less than RMB500,000; VIP customers refer to individual customers whose average daily balance of AUM per month is more than RMB500,000 (included) and less than RMB6,000,000.

37 Referring to individual customers whose average daily balance of AUM per month reaches RMB6,000,000 or above.

In terms of grouped management of customers, the Bank, relying on ecological scenarios, provided comprehensive "financial + non-financial" services to key customer groups such as pension customers, going abroad customers and Generation Z customers, strengthening the brand image of a "caring" retail bank.

In terms of management of pension customers, the Bank continuously enriched its products and services to meet the retirement needs of customers of different ages and stages. The Bank launched "social security +" and "medical insurance +" pension planning solutions and a four-pronged trust pension service integrating banking, insurance, trust and industry, continuously carried out investment education and promotion on pension finance, released a report on the development of pension wealth management for the fourth consecutive year, and provided customers with customized pension planning solutions. The Bank deepened strategic cooperation with China National Committee on Ageing, jointly compiled "wealth management literacy guidebook for elderly customers", which was included it in the "Series of Educational Books on China's National Conditions of Population Aging", initiated the "Leading Reader" program for the silver-haired group, launched video courses on financial knowledge, built models for elderly-friendly financial education, and organized "CITIC Health Season" salons to enrich their retirement life. As at the end of the reporting period, the number of the Bank's middle-aged customers preparing for pension plans and elderly customers[38] reached 109 million, up by 10.40% from the end of the previous year.

In terms of management of going abroad finance customers, the Bank continued to strengthen the branding of a cross-border financial service to build the Bank into the "preferred choice for both outbound and inbound visitors". During the reporting period, the Bank strengthened ecological collaboration, deepened partnership with embassies of foreign countries in China, tourism bureaus, and international card organizations, and upgraded the differentiated service system to accurately match customers' diverse cross-border needs. Specifically, the bank launched China's first Mastercard debit card supporting RMB and multiple foreign currencies and completed functional iterations, achieving deep integration between the RMB clearing system and global payment networks. As at the end of the reporting period, the number of activated cards exceeded 110,000. At the same time, the Bank strengthened its specialized service advantages, maintained its status as the only authorized financial institution for U.S. visa services, hosted over a hundred "On-Demand UK Visa" events throughout the year, actively expanded visa-on-demand services for more countries, and improved the convenience of visa services. It also released the *2025 Blue Book on Chinese Students Studying Abroad* to provide authoritative guidance for those planning to study abroad. The Bank constantly deepened localized services, continuously built a thousand-people advisors team for international planning, expanded official and local channel resources, and continuously enhanced brand influence. As at the end of the reporting period, the Bank had 13.7228 million going abroad financial customers, up by 10.79% from the end of the previous year.

In terms of management of Generation Z customers[39], the Bank continued to focus on this group and constantly improved services in areas such as wealth management, card products and media entertainment. In terms of card products, the Bank continuously optimized hit products such as "Showcasing Your Cards", and launched features like customizable card designs and card numbers; in terms of media and entertainment, the Bank continued to operate accounts on Xiaohongshu and

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38 Referring to personal customers aged from 35 (inclusive) to 55 (exclusive); elderly customers refer to personal customers aged 55 and above.

39 Referring to the personal customers aged between 18 (inclusive) and 30 (inclusive).

Bilibili, and actively interacted with Generation Z netizens to enhance customer stickiness. As at the end of the reporting period, the Bank had 23,692.7 thousand Generation Z customers, with the share of Generation Z customers among new customers increasing by 3.80 percentage points.

2.9.2.2 Businesses and Products

Wealth Management Business

The Bank's wealth management business always focuses on customer needs and was committed to building an integrated service system supported by professional investment research based on diversified products. During the reporting period, the Bank continuously enhanced product competitiveness and created an industry-leading product series through market-wide product selection and strategic layout. It actively responded to national strategies and introduced innovative thematic products. It deepened digital empowerment and used smart tools to improve service efficiency, providing customers with asset allocation solutions throughout the entire cycle. As at the end of the reporting period, the balance of retail wealth management products was RMB1.52 trillion, an increase of 8.60% compared with the end of last year. The holdings of non-monetary funds reached RMB128.017 billion, up by 30.20% from the end of last year. The insurance agency sales reached RMB24.572 billion, a year-on-year increase of 24.69%.

The Bank implemented a market-wide product selection strategy to strengthen a diversified product matrix.

In terms of wealth management, the Bank further advanced the net asset value transformation, strengthened the investment research-driven approach and professional capability building, and adopted a market-wide product selection strategy. The performance of its agency sales of products outperformed the market across all categories, with the returns on money and money+ products exceeding the 50th percentile of the market and the "Spare Cash+" and "Stable Trust+" series of closed-end products achieving a benchmark attainment rate of over 90%.

In terms of fund business, following the theme of high-quality development of mutual funds, the Bank partnered with leading fund companies to create three major strategic product brands of "stable profits, steady progress and leading the trend", prioritizing fixed income + products with low-to-medium volatility and high-quality newly launched equity funds, and placed greater emphasis on absolute return strategies and enhancement of customers' profit experience.

In terms of insurance business, the Bank continued to enrich the types of insurance products under agency sales, deepened tiered and categorized operations, and collaborated with high-quality insurance companies to build a protection product system covering health, retirement and inheritance needs. Through scenario-based activities and professional services, the Bank enhanced the business value while maintaining a healthy business structure. During the reporting period, long-term protection-oriented products accounted for 59.51% of sales, up by 1.68 percentage points year on year.

In terms of personal deposits, the Bank continued to optimize the purchase process of deposit products through electronic channels such as mobile banking and personal online banking, improving the customer experience. For customers' diversified needs such as asset preservation, maturity renewal and scheduled savings, the Bank provided customers with deposit product portfolio with full category and different maturities, such as personal large-denomination certificate of deposit, time deposit certificate, and notice deposit. Through the business coverage of Five Expertise, the Bank provided customers with richer and higher-quality products and services, and accumulated more settlement funds by promoting the efficient capital turnover. As at the end of the reporting period, the Bank's personal deposit balance was RMB1,582.021 billion, an increase of RMB122.387 billion from the end of last year, representing a growth of 8.38%.

The Bank focused on national strategies and customer concerns, and deepened the layout of featured products.

The Bank actively practiced the political and people-oriented nature of financial work, and integrated serving national strategies and responding to customer concerns into product innovation. By integrating social value with customer value, the Bank created a featured product line that delivers both financial returns and social benefits. The Bank actively distributed green and ESG-themed wealth management products, and as at the end of the reporting period, there were 28 green and ESG-themed wealth management products, with a total amount of RMB8.555 billion. The Bank distributed 112 green and environmentally friendly-themed mutual funds, with a total amount of RMB1.017 billion. The Bank, in collaboration with CITIC Wealth Management, explored a new model of "charity + finance" to promote finance for good. As at the end of the reporting period, the charitable wealth management products sold by the Bank as an agent amounted to RMB12.024 billion.

The Bank strengthened the building of investment research and professional capabilities to drive sound decision-making and efficient allocation.

The Bank continuously improved the investment research and empowerment system that spans "macro – strategy – products – sales". By closely following market changes, the Bank continuously delivered forward-looking investment research insights and iterated asset allocation methods, effectively enhancing the front-line team's insight into the market trends and service capability. At the same time, the Bank systematically carried out special empowerment activities such as "CITIC Investment Report Conference" and "Professional Molding Training Camp" to especially strengthen the basic skills of salespersons in product analysis, portfolio allocation and customer communication. By continuously iterating sales methodologies, optimizing critical business processes, and upgrading training and honor systems, the Bank realized full-process refined management and comprehensively enhanced the professionalism and implementation efficiency of asset allocation services.

The Bank deepened financial services for the people through cutting-edge AI technology and created a new paradigm of intelligent services.

The Bank continued to advance the digital transformation and intelligent upgrading of the wealth management business. During the reporting period, the Bank upgraded "Xiao Xin", an intelligent digital wealth advisor, to Version 3.0, and used cutting-edge AI technologies such as large models and Agent as its internal technology foundation, focusing the internal operation empowerment and external customer service support to realized the improvement in both service capability and operation efficiency. In terms of internal empowerment, "Xiao Xin" provided frontline wealth management managers with intelligent assistance covering the entire process of pre-sales, in-sales and post-sales, and was deeply integrated into key aspects such as customer need exploration, communication practice, asset diagnosis and event reminders, forming a closed loop of intelligent planning and services and creating a new paradigm of efficient human-machine collaborative services. In terms of customer service, the Bank realized precise reach to customers through online channels such as mobile banking, and used AI technology to provide real-time, targeted and caring consultation services, effectively enhancing the breadth and depth of service coverage and significantly improving service accessibility especially among long-tail customer groups. As at the end of the reporting period, "Xiao Xin" served over 7.91 million customers, with a service satisfaction rate exceeding 95%.

Personal Loan Business

The Bank adhered to a value-oriented banking approach. Aiming to promote the high-quality development of personal loan business, the Bank actively optimized asset portfolios and customer structure, continuously enhanced digital risk control and digital management capabilities, and realized coordinated development of personal loan business in volume, price and quality.

In terms of personal housing loans, the Bank firmly implemented the guiding principles of the CPC Central Committee and regulatory requirements, actively adapted to the new situation arising from significant changes in the supply and demand relationship of the real estate market, and vigorously promoted the steady development of the housing mortgage loan business. On the one hand by leveraging corporate banking business such as development loans, the Bank promoted stable growth in the first-hand housing mortgage business. On the other hand, it actively collaborated with leading second-hand housing platforms to build a service ecosystem and continuously strengthened channel risk monitoring and hierarchical management, steady facilitating the issuance of second-hand housing mortgage loans. During the reporting period, the Bank issued RMB211.434 billion in personal housing loans; as at the end of the reporting period, the balance of personal housing loans was RMB1,087.671 billion, an increase of RMB55.090 billion compared with the end of the previous year, leading the joint stock peers as for both the balance and increment.

In terms of personal business loans, the Bank focused on inclusive financial scenarios, actively implemented policies benefiting the people, and focused on implementation of fiscal interest subsidy policies for personal business loans for operating entities in the service sector. The Bank continuously optimized and improved business processes such as personal business loan limit reevaluation and renewal, as well as business processes such as loan renewal without principal repayment, thereby effective improving user experience and further improving its capability to manage existing customers and risks. During the reporting period, the Bank issued RMB214.575 billion in inclusive personal loans; as at the end of the reporting period, the balance of personal inclusive loans was RMB424.917 billion, representing an increase of RMB13.267 billion from the end of the previous year.

In terms of personal consumer loans, the Bank actively implemented the national decisions and plans to boost consumption, completed phased adjustments of elements for personal consumer loans, and efficiently implemented the fiscal interest subsidy policy for personal consumer loans. In accordance with the development strategy of "deepening customer relationships and maximizing value, strengthening risk control through digital empowerment and expanding the customer base through scenario (ecosystem) co-construction," the Bank continued to enrich consumer finance products and services, deeply explored consumer finance scenarios such as housing and automobiles, focused on core capacity building in areas such as customer acquisition, operations and risk control, continuously improved the dynamic credit limit adjustment mechanism, optimized the management system for existing consumer, and continuously enhanced the quality and efficiency of consumer loan services. During the reporting period, the Bank issued RMB312.730 billion in personal consumer loans.

Credit Card Business

The credit card business of the Bank adhered to the theme of high-quality and sustainable development, and comprehensively upgraded its product and service system. The Bank built a quality scenario ecosystem centering around the five consumption areas related to people's livelihood, i.e., food, accommodation, transportation, entertainment, and shopping, while deepening the precise alignment of "consumer needs, product offerings, and consumption scenarios". The Bank further pressed ahead with high-quality customer acquisition and refined operations, accelerated technological innovation and digital transformation, and fully leveraged the important role of credit cards in "expanding domestic demand, boosting spending, and improving people's well-being", to further enhance people's sense of gain, happiness and security.

During the reporting period, **the Bank continued to optimize its customer acquisition structure** and advanced "large-scale customer acquisition from source" capability based on high-quality scenario development. The proportion of high-quality customer acquisition in "food, accommodation, transportation, entertainment, and shopping" scenarios increased to 44.74%, while the proportion of cold call acquisition[40] continued to decline. **The Bank gradually improved its product matrix**. Advancing cross-industry cooperation in "finance + tourism retail", the Bank issued CDF co-branded cards and served high-quality customers through special benefits such as multiple reward points and cashback on transactions. Focusing on segmented customer groups, the Bank innovatively introduced complementary specialty product benefits, launched the exclusive card for seniors, "Happy Years Card", upgraded the "Junior Trip" credit card for students studying abroad, and launched the new product "Carefree Journey" exclusively for travel customers. **The Bank further advanced scenario building**. The Bank continued to carry out the "99365"[41] brand campaign and deepened the ecosystem building in business districts and merchant scenarios by combining a mix of marketing instruments, including coupons and instant discounts upon reaching spending thresholds. As at the end of the reporting period, the Bank established partnerships with over 7,300 merchant brands, covering more than 460 thousand stores and engaging 13.62 million customers in campaigns throughout the year. The Bank focused on scenario-based development of interest-bearing assets, strengthened its proprietary channels to improve conversion rates, and further deepened external channel expansion to drive incremental growth. The Bank also enhanced the capability to implement targeted strategies

40 Referring to the traditional customer acquisition model in the industry, namely, marketing staff proactively visit or directly contact potential customers for sales.

41 Referring to the "RMB9 Movie Ticket Privilege", "RMB0.09 Exchange Privilege" and "Wonderful 365".

for different customer segments, increased the scale of installments for top-tier customer groups, and continuously optimized the asset structure. **The Bank fully upgraded its intelligent services**. It accelerated the application of innovative technologies, leveraged AI for large-scale empowerment in customer operations and services, and developed a personalized training robot, covering over 700 knowledge scenarios. Through coach robots, the Bank assisted over 10,000 agents in providing high-quality services. Intelligent quality inspection achieved 100% coverage of text-based conversations across all channels, improving service quality by over 10%. By practicing a service philosophy of excellence and authenticity, innovative achievements such as the "full-chain service system" received copyright registration from National Copyright Administration. During the reporting period, customer service satisfaction reached 98.80%, setting a historical high.

As at the end of the reporting period, the Bank cumulatively issued 129 million credit cards, an increase of 4.60% from the end of the previous year. The balance of credit card loans was RMB462.117 billion. During the reporting period, the transaction volume via credit cards recorded RMB2.18 trillion, and the income from the credit card business was RMB47.749 billion.

Private Banking Business

During the reporting period, centering on customer needs, the Bank actively seized market opportunities, optimized customer management models, deepened group synergy and collaboration, strengthened professional leadership of investment research, strengthened technological empowerment for innovation, and made continuous upgrades to build a specialized, distinctive, and comprehensive private banking service system.

First, the Bank deepened customer management and upgraded service capabilities across all customer levels. Relying on the Bank's network of over 100 private banking centers, the Bank comprehensively advanced the intensive management of private banking customers. As at the end of the reporting period, more than 80 private banking centers implemented the intensive management model, significantly improving customer loyalty and overall contributions. The Bank launched the brand-new "Xin Yi Xiang" exclusive service for ultra-high-net-worth customers, enriching the "financial + non-financial" product and service matrix and driving nearly a 30% year-on-year increase in the number of ultra-high-net-worth customers[42]. The Bank innovatively launched retirement services for private banking customers by collaborating with the Group's financial subsidiaries and elderly care industry platforms to create a four-pronged trust pension service integrating banking, insurance, trust and industry, providing comprehensive pension solutions for private banking customers.

Secondly, the Bank strengthened collaboration and upgraded the ability to acquire customers across multiple scenarios. Relying on CITIC Group's resource endowments, the Bank was deeply engaged in key business scenarios such as public-private integration, overseas finance, cross-border linkage, and loan-deposit linkage, built a comprehensive service ecosystem for private banking customers, and continuously developed distinctive customer acquisition brands like "Cloud Enterprise Forum" and "Junior Trip". During the reporting period, the number of private banking customers acquired through two-way customer acquisition through corporate and retail business collaboration increased by nearly 20% year on year; the number of private banking customers acquired through overseas finance grew by over 70% year on year; the number of customers served through cross-border linkage increased rapidly; and the number of customers acquired through loan-deposit linkage

[42] Referring to personal customers whose average daily balance of AUM per month reaches RMB50 million or above.

increased year on year in both directions.

Third, the Bank adhered to professional guidance and upgraded the full-product configuration capability. Based on customers' differentiated needs and risk appetite, the Bank improved the full-product supply line covering fixed income, hybrid, equity and alternative products, and established an integrated service loop of "investment research – product selection – allocation – companion". At the same time, the Bank actively expanded wealth inheritance planning services to help customers preserve, grow, and inherit assets. As at the end of the reporting period, the asset allocation benchmark attainment rate of private banking customers increased by nearly 6 percentage points compared with the end of last year, and customer investment returns and satisfaction further improved.

Fourth, the Bank increased technological empowerment and upgraded the service experience throughout the entire journey. The Bank upgraded mobile banking to the private banking premium version, achieving more targeted demand matching, richer product selection tools, more comprehensive information display, and smoother user experience. During the reporting period, the monthly active users (MAU) of mobile banking among private banking customers increased by more than 15% year on year.

Pension Finance Business

Pension Finance	Special Column
During the reporting period, the Bank thoroughly implemented the spirit of the Central Financial Work Conference. Leveraging CITIC Group's advantages of "full financial licenses and wide industrial coverage", the Bank contributed to the building of the national multi-level, multi-pillar pension insurance system, continuously optimized the "Happiness+" pension financial service system, promoted high-quality development of the pension industry, and contributed to the development of pension finance. **The Bank strengthened the financial support for the three-pillar pension system.** The Bank continuously optimized the financial services supporting the first pillar, and actively carried out works such as account management, fund custody and the distribution of social security benefits. As at the end of the reporting period, the Bank obtained social security card issuance qualifications in more than 80 regions at the prefecture level and above, and the number of social security cards issued continued to grow. Focusing on comprehensive services for annuity customers, the Bank took multiple measures to improve the operating model of pension finance custody, with the scale of pension finance assets under custody reaching RMB592.743 billion, an increase of 16.75% compared with the end of the previous year, and serving over 3,700 enterprises and public institutions. The Bank strengthened high-quality development of the third pillar, upgraded the functions of the private pension system, diversified scenarios for receiving private pension, optimized the "Well-Selected" private pension product shelf, and provided the "Enjoy the Future" pension-themed services to enterprises, so as to help customers continuously increase pension reserve. As at the end of the reporting period, the Bank had 2,933.9 thousand private pension accounts, up by 34.08% from the end of the previous year.	

The Bank introduced innovative products and services for pension finance. The Bank launched the brand-new "Happy Years" card and developed a series of benefits and services centered around scenarios such as finance, health, and daily life. Partnering with CITIC Trust, CITIC-Prudential Life, CITIC Aged Care and other subsidiaries of CITIC Group, the Bank launched a four-pronged trust pension service integrating banking, insurance, trust and industry, deeply integrated insurance protection, trust architecture and pension services, and provided customers with comprehensive one-stop solutions for asset management, wealth inheritance, and retirement consumption. The Bank revamped and upgraded the pension finance service platform, innovatively launched the "Pension Account Book 3.0" for elderly customers, and helped them systematically manage their pension funds, covering various scenarios such as daily expenses, health care, quality life, and family care. The Bank enriched the ecosystem of health and wellness services, and upgraded the App to Medical Health 2.0 to support online health reserve assessment, generate protection plans, and access medical assistance services such as offline accompaniment for medical visits. The Bank continuously expanded residents' options for elderly care, and created dedicated services for "institutional care, travel-based retirement, and home-based care". In partnership with Tsinghua University, the Bank continuously trained nearly 3,000 pension finance planners, focused on customers' pension financial and health needs, and launched pension planning solutions such as "social insurance +" and "medical insurance +", providing customers with full-lifecycle pension financial services.

The Bank increased support for the elderly care industry. The Bank responded quickly to national strategic plans, strengthened top-level design, and improved the supporting system, including policy system and special credit resource support. Guided by specialized industry research, the Bank developed marketing plans and target customer lists for the elderly care industry focusing on core scenarios such as healthcare, pension services, smart technology, and senior consumption. As at the end of the reporting period, the balance of loans in the elderly care industry was RMB2.470 billion, representing a year-on-year increase of 146.58%. The Bank issued the first bond supporting the elderly care in the industry. It actively carried out services for elderly care institutions, and obtained pre-payment supervisory qualifications for elderly care institutions in more than 30 regions at the prefecture level and above.

The Bank upgraded its age-friendly service capability. The Bank deepened strategic cooperation with the China National Committee on Ageing, jointly compiled the "Guide to Wealth Management for Elderly Customers" with the China Research Center on Aging, and it was included in the "Series of Educational Books on China's National Conditions of Population Aging". The Bank, in collaboration with Hualing Press, implemented the "National Reading" campaign, launched the "Elderly Reading Program", successively set up "Senior Bookshelves" at the "Happiness +" elderly-friendly outlets and held the "Senior Reading Clubs", to enrich the retired life of elderly customers. It continuously promoted financial knowledge and launched systematic financial video courses for the elderly on common financial scenarios such as family financial planning, wealth inheritance, and fraud prevention, on it mobile banking App and the "Happiness +" club of its wechat public account to improve their financial literacy and enhance risk prevention capabilities. The Bank also carried out the "CITIC Health Season" pension finance activities, and continuously strengthened the publicity and education on "finance + medical care".

The Bank launched a four-pronged trust-based pension care service model and explored a one-stop comprehensive pension solution	Case
Relying on CITIC Group's comprehensive advantage of "full licenses in finance and full coverage in industries", and partnering with CITIC Trust, CITIC-Prudential Life, CITIC Aged Care and other CITIC Group subsidiaries, the Bank launched a four-pronged trust pension service integrating banking, insurance, trust and industry. The Bank established an insurance benefit trust using the beneficiary rights under a policy issued by CITIC-Prudential Life, with CITIC Trust as the trustee. Customers may choose elderly care institutions from the whitelist established by CITIC Trust and authorize CITIC Trust to pay the expenses incurred by beneficiaries for staying in the elderly care institution. While serving customers' pension planning needs, this business can also provide specialized care solutions for elderly groups with special care needs, such as those who are disabled or have dementia. The first transaction of the business has been successfully carried out at the Bank's Shanghai Branch. By deeply integrating insurance protection, trust architecture and pension services, the Bank precisely met three core demands of customers: pension fund management, orderly wealth inheritance, and access to pension services, marking a significant breakthrough for the Bank in advancing innovation in pension finance.	

2.9.2.3 Risk Management

During the reporting period, the Bank's retail credit business adhered to the goal of dynamic balanced development of "quality, efficiency, and scale", actively optimized the asset portfolio, continuously enhanced risk control capabilities and asset quality management, accurately stroke a balance between "effective risk control" and "strong support for development", and continuously improved the level of refined risk management.

Risk Management of Personal Loans

The Bank actively responded to changes in internal and external conditions, closely monitored macroeconomic policies, and continuously strengthened proactive risk control to ensure that overall asset quality remained controllable. As at the end of the reporting period, the non-performing rate of the Bank's personal loans (excluding credit cards) was 1.03%, an increase of 0.08 percentage points from the end of the previous year. Overall, the quality of personal loan assets remained at a reasonable level.

In terms of personal housing loans, the Bank enhanced the joint prevention and control mechanism for cooperation channel access, continuously strengthened risk management at the source, and strictly prevented systemic and fraud risks. By deeply applying the "application scorecard", the Bank effectively managed proactive selection and risk control for single-loan customers and continuously strengthened the building of a mortgage anti-fraud team and its capacity building through regular training and technical empowerment as so to continuously improve the capability of risk identification, prevention and control. As at the end of the reporting period, the non-performing rate of the Bank's personal housing loans was 0.41%, down by 0.08 percentage points from the end of last year.

In terms of personal business loans, the Bank focused on high-quality customer groups and core real estate, strengthened individual credit and regional differentiated management, strengthened access risk control at branches, and continuously raised the proportion of high-quality customer groups with medium and high scores. By formulating and optimizing customer admission strategies, the Bank strengthened the screening and control of high-risk customer groups and raised the admission threshold. It also strengthened the political and people-oriented nature of financial work to meet the reasonable needs of existing customers for loan renewal. As at the end of the reporting period, the non-performing rate of the Bank's personal business loans was 1.46%.

In terms of personal consumer loans, the Bank refined digital risk control capabilities, enhanced the operational effectiveness of risk strategies and risk data monitoring, and completed the management loop. It continuously deepened differentiated approval strategies from the dimensions of customer groups, regions, and channels, and strengthened control over high-risk customer groups, regions, and channels. It made in-depth use of internal and external data, and continuously optimized anti-fraud models and strategy systems. As at the end of the reporting period, the non-performing rate of the Bank's personal consumer loans was 2.80%, an increase of 0.66 percentage points from the end of the previous year.

Risk Management of Credit Card Business

The Bank continued to build full-process digital risk control capabilities, attaching equal importance on both risk prevention and business development. **First**, the Bank strictly controlled customer access standards, remained guided by target customer segments, building a multi-dimensional risk strategy system covering "regions, industries, scenarios, and customers" and achieving high-quality customer acquisition. During the reporting period, high-quality customers accounted for 59.21% of the customers with newly issued cards, a year-on-year increase of 8.23 percentage points. The improvement in the structure of the credit card customer group led to a decline in early risk indicators. As at the end of the reporting period, the early-stage account risk[43] for customers with newly issued cards was 0.46%, a decrease of 0.11 percentage points compared with the end of the previous year. **Second**, the Bank optimized credit resource allocation, focusing on investment in high quality assets and continuously increasing the scale of quality loans. As at the end of the reporting period, the performing loans held by high-quality customers of lower risks[44] accounted for 76.19% of the total loans, an increase of 2.01 percentage points compared with the end of last year. **Third**, the Bank strengthened management during the loan extension process, moved the risk prevention and control gateway forward, built a proactive risk control and defense system covering the entire credit process covering before, during and post loan extension, upgraded fraud prevention and control strategies, actively responded to joint prevention and control actions against "black and gray industry", and promoted healthy development of credit card business. **Fourth**, the Bank focused on building self-collection capabilities, improved the collection efficiency and post-NPL operation and management efficiency, and employed multiple measures to reduce the non-performing rate, ensuring that overall asset quality remains stable and controllable.

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43 Referring to the share of amounts overdue by more than 30 days, seven months after a card is issued to the customer.

44 Referring to the share of performing loan principal held by high-quality customers of lower risks to the total principal of credit card performing loan principal.

As at the end of the reporting period, the Bank's non-performing credit card loans amounted to RMB12.118 billion, a decrease of RMB119 million compared with the end of last year; the rate of non-performing loans was 2.62%, an increase of 0.12 percentage points from the end of last year.

2.9.3 Financial Markets Business

The financial markets segment of the Bank consistently implemented national strategies and policy orientation. Amid a complex and volatile economic and financial environment, the Bank fully leverages financial instruments such as bond financing, bill discounting, foreign exchange hedging, and gold leasing to enhance the supply of financial products and services. It established targeted channels connecting capital supply and demand, promoted the efficient allocation of resource elements, and firmly reinforced its foundation for serving the real economy. During the reporting period, the Bank actively balanced functionality with profitability for its financial markets business. Relying on the parallel operations of "proprietary business and agency business", it focused on enhancing capabilities, refining mechanisms, and improving efficiency and quality. In business operations, it fully capitalized on market opportunities, delivered quality customer services, increased asset yields, and reduced liability costs, striving to achieve a balanced development between improving profitability and serving the real economy.

During the reporting period, the financial markets segment of the Bank recorded a net operating income of RMB28.059 billion, up by 4.95% year on year, accounting for 14.48% of the Bank's total net operating income. Net non-interest income from the financial markets business amounted to RMB25.853 billion, a drop of 5.56% year on year, representing 44.68% of the Bank's total net non-interest income, up by 0.36 percentage points from the previous year.

2.9.3.1 Customer Management

The Bank continued to deepen the integrated business operation system for interbank customers. During the reporting period, it optimized the layout of sub-centers, enhanced team building of customer management, and explored a joint customer management model between the Head Office and branches. It reinforced CITIC Group collaboration and empowerment, deepened cross-product linkage, and built a three-dimensional "customer-channel-product" service system to comprehensively improve the quality and effectiveness of cooperation. As at the end of the reporting period, the Bank's services covered nearly 2,000 major financial institution customers.

Always following the orientation of customer needs, the Bank optimized hierarchical and segmented business operation strategy, strengthened digital empowerment, and continuously enhanced the quality and efficiency of customer service. To meet customers' diverse needs in the areas such as financial bond investment, certificate of deposit investment, credit extension, and liquidity management, the Bank leveraged its advantages in collaboration, optimized proprietary investment, strengthened channel sales, to support customers' business in multiple perspectives. In response to the reform wave of rural credit institutions, the Bank proactively developed dedicated operation plans for rural credit cooperatives and leading city commercial banks, and enhanced and deepened operations for the city and rural commercial bank customer segment. For fund customers, it established an operation evaluation system and improved the interactive mechanism of investment, sales, and custody services, thereby increasing overall sales share. Capitalizing on capital market recovery and globalization opportunities, it strengthened cooperation with securities companies in third-party escrow services, financial bond investment, and cross-border foreign exchange business.

Leveraging the "CITIC Interbank +" digital platform, the Bank facilitated full-channel sales and services for interbank customers. As at the end of the reporting period, the platform had 3,197 signed customers, an increase of 175 customers from the end of the previous year. Online transaction volume of the whole year reached RMB2.71 trillion, up by RMB0.45 trillion year on year, representing a growth of 20.08%.

2.9.3.2 Businesses and Products

Forex Business

The Bank adhered to the principle of serving the real economy in its forex business. Focusing on key customer segments, priority regions, and core businesses, it accelerated product and service innovation, fully facilitated the transmission and implementation of regulatory policies, and proactively fulfilled its role as a market maker. The Bank contributed comprehensively to the high-quality development of the forex market, and provided professional, efficient, and flexible exchange rate risk management services to corporates and cross-border institutional investors. At the same time, it actively participated in self-discipline initiatives in China's forex market to support self-discipline management, market standardization, and international engagement.

The Bank maintained a leading position in the interbank forex market-making. During the reporting period, the Bank's forex market-making transaction volume reached USD4.06 trillion, up by 21.20% year on year, with its market-making ranking remaining at the forefront in the market. In particular, the Bank ranked first in spot market-making for foreign currency pairs[45]. It actively participated in market innovation and was among the first to execute RMB/AUD and RMB/CAD forex option trading at the China Foreign Exchange Trade System. The Bank also continuously expanded its product portfolios of currencies of countries and regions participating in the Belt and Road Initiative, with RMB directly traded against 20 foreign currencies, ranking first among joint-stock banks in interbank market coverage for these currencies[46].

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45 According to China Foreign Exchange Trade System (CFETS).

46 According to CFETS.

Service quality and efficiency for the real economy continued to improve. The Bank adhered to regulatory guidance, actively promoted the exchange rate risk neutrality concept, and comprehensively leveraged financial market instruments to help enterprises establish robust exchange risk management mechanisms. During the reporting period, the Bank executed the market's first transaction of "Interbank Cooperation for Forex Derivatives" through the CFETS Bank-Corporate Foreign Exchange Trading Service Platform. It ranked first among joint-stock banks in both bank-corporate platform quotation activity and the number of enterprises served[47]. By strengthening forex capacity building and enriching the portfolio of forex rate risk hedging products, it provided comprehensive professional forex services for corporates, helping enterprises particularly micro, small, and medium-sized enterprises enhance their forex rate risk management capabilities.

Cross-border financial service capabilities were steadily strengthened. The Bank is deeply engaged in the national high-level opening-up strategy and provided cross-border institutional investors with comprehensive financial service solutions covering custody, investment, and forex services. During the reporting period, the Bank's forex transaction provided for cross-border institutional customers exceeded USD200 billion in its volume, marking a new milestone in its integrated cross-border financial service capabilities.

Bond Business

The Bank actively satisfied the bond financing needs of the real economy through its bond business. It seized favorable market opportunities to execute swing trading and optimize trading turnover, while continuously enhancing customer-centric comprehensive financing services. During the reporting period, the Bank effectively fulfilled its role as a government bond underwriter, actively supported primary market issuance of central government bonds, local government bonds, and financial bonds issued by policy banks, with overall underwriting performance ranking among the top in the market. In a bond market environment with wide swings, it promptly adjusted and refined allocation strategies to fully capture opportunities arising from market fluctuations. It prudently expanded cross-border bond investment and adhered to diversified and dispersed strategies to effectively deal with market fluctuations.

As a core market maker in the interbank bond market, the Bank actively fulfilled its market-making responsibilities and obligations, and continuously provided bilateral and request-for-quote market-making services. It proactively offered pricing benchmarks and liquidity support, and consistently ranked among the top in multiple market metrics. During the reporting period, the Bank advanced its efforts in the technology finance sector and promoted high-quality development of the technology board in the interbank bond market. It achieved multiple firsts across the market in its market-making business for sci-tech innovation bonds, providing investors with new thematic investment channels. Its Bond Connect business steadily expanded, with the growth of annual trading volume outperforming the market, while market-making coverage for credit bonds remained at a leading level. In line with inclusive finance policy requirements, the Bank steadily advanced over-the-counter bond business for small and medium-sized financial institutions. It led the market in transaction channel network, facilitating the convenient participation of small and medium-sized financial institutions in the bond market and supporting the development of a multi-tiered bond market.

[47] According to CFETS.

The Bank actively participated in innovation in the interest rate and credit derivative markets, executed the market's first 30-year "Northbound Swap Connect" contract transaction and the first batch of transactions under "Northbound Swap Connect" contracts linked to LPR. It also successfully completed the market's first batch of transactions of new physically delivered bond forward contracts for standard CDB bonds, the first batch of transactions of standard interest rate swaps linked to one-year certificate of deposit rates, and the first batch of Sci-Tech CDS index transactions.

Monetary Market Business

During the reporting period, the Bank diligently fulfilled its role as a primary dealer in the open market. By conducting RMB and foreign currency bond repurchases, interbank lending, and the issuance of interbank certificates of deposit, it continuously enhanced financing capabilities and strongly supported the short-term financing needs of various financial institutions, including small and medium-sized commercial banks, securities firms, and finance companies. At the same time, the Bank closely followed national policy guidance and actively responded to product innovation in the interbank monetary market. It executed the market's first foreign currency repurchase with RMB-denominated CDB sci-tech innovation bonds as collateral, helping enhance the technological innovation efficiency of financial services. It participated in the market's first batch of bond repurchase by overseas institutional investors in China's bond markets under the "Northbound Stock Connect", promoting connectivity between onshore and offshore financial markets. During the reporting period, the Bank's monetary market transactions were equivalent to RMB33.48 trillion, while the cumulative issuance volume of interbank certificates of deposit was equivalent to RMB1.51 trillion.

Precious Metals Business

The Bank adopted a development model of attaching equal importance to proprietary trading and customer services for its precious metals business. It actively served the real economy, continuously optimized trading strategies and steadily enhanced the revenue contribution of the precious metals business. During the reporting period, the Bank strengthened market analysis, actively conducted swing trading, and used options and other instruments to hedge risks when appropriate. Leveraging digital tools in conjunction with the gold import business, the Bank captured spread opportunities across different markets. As a market maker on the Shanghai Gold Exchange, the Bank diligently fulfilled its market-making responsibilities for request-for-quote on both the main and international boards, providing liquidity for the market and maintaining a top-tier market ranking. It also intensified coordination between the Head Office and branches, actively marketed to customers across the precious metals industrial chain, steadily advanced customer-facing services such as leasing and hedging, and enhanced warehouse receipt circulation. These efforts provided customers with diversified and customized solutions, and continually strengthened the Bank's market influence in the precious metals business.

Bill Business

The Bank gave full play to its strengths in corporate banking, centering on bill products such as "CITIC Speedy Bill Discounting", "CITIC Commercial Bill Service", and "CITIC Integrated Bill Service". These solutions redefined corporate bill processes, significantly improved supply chain financing and settlement efficiency, and provided enterprise customers with a safer, more efficient, and more convenient financing experience. During the reporting period, the Bank provided discounting and financing services totaling RMB1,131.388 billion to 18,060 corporate customers through its bill business, of which 13,703 were small and micro enterprises, representing 75.87% of the total customer base.

Asset Management Business

The asset management business is the bridge and hub for the Bank to build a "wealth management – asset management – comprehensive financing" value chain. The Bank's subsidiary, CITIC Wealth Management, leverages the advantages of synergy within the CITIC Group and collaboration between its parent bank and subsidiaries, as well as its own asset organization and investment management capabilities to continuously forge an all-round asset management business line with core competitiveness, a full range of products, wide customer coverage and leading comprehensive strength, and strives to build itself into a world-class enterprise with an all-around asset management business.

During the reporting period, CITIC Wealth Management adhered to a customer-centric business philosophy and fully responded to investors' increasingly diverse wealth management needs. **While playing its role as a major provider of fixed-income products, it strove to become an important supplier of products with equities.** As at the end of the reporting period, the balance of products with equities reached RMB337.461 billion, up by RMB148.959 billion from the end of the previous year, with the share of new products rising from 9.68% to 14.70%. It accelerated the enhancement of equity investment capabilities and employed multi-asset, multi-strategy portfolios to effectively boost wealth management returns. **Focusing on creating value for customers, it built its full-lifecycle, companion-style wealth management services.** Through the development of a digital and intelligent marketing system, it enhanced scenario-based customer management capabilities, providing advisory services related to wealth management for customers. An integrated channel service system was established with customer segmentation, tiered services, timed interactions, and a clear division of responsibilities. By empowering over 15,000 wealth management service personnel, it delivered more efficient and professional financial services to customers. **In line with the political and people-centered nature of financial work, it actively developed wealth management products aligned with the "Five Priorities" of finance.** As at the end of the reporting period, the balance of the "Blue Intelligence" technology-themed products reached RMB2.519 billion, and ESG-themed products reached RMB25.403 billion. It continuously expanded its "Finance + Charity" innovation model, and issued 27 new charitable wealth management products during the reporting period with a total fundraising amount of RMB12.738 billion. Twelve "Caring for Children" wealth management products matured during the period, generating donations exceeding RMB10 million, with all proceeds directed toward public welfare projects in children's education and healthcare.

As at the end of the reporting period, the total AUM of wealth management reached RMB2.30 trillion, representing a 15.23% increase over the end of the previous year. The number of customers holding wealth management positions reached 11,530.1 thousand, up by 15.51% from the end of the previous year. During the reporting period, the Bank generated investment returns of RMB43.574 billion for customers, a year-on-year increase of 4.11%.

2.9.3.3 Risk Management

Risk Management of Financial Market Business

The Bank implemented the "Five Policies" working mechanism for its financial market business, and advanced the embedded credit risk approval mechanism for interbank customers to continuously enhance the effectiveness of credit risk control. It strengthened the credit risk management system for the financial market business, dynamically adjusted the proprietary credit bond list, and optimized credit bond review and approval processes, as well as investment decision-making processes. It refined concentration management and position management mechanisms for the proprietary credit bond business, and reinforced risk monitoring and management in key regions and industries. During the reporting period, the Bank focused on high-quality corporate issuers with high credit ratings across industries for its domestic currency bond investment, while targeting overseas bonds issued by China's high-quality issuers for foreign currency bond investment. Overall, the Bank's bond investment maintained strong credit quality.

Risk Management of Asset Management Business

During the reporting period, CITIC Wealth Management continued to deepen its comprehensive risk management framework, enhanced the "coordinated + specialized" risk management structure, and actively explored forward-looking, penetrative, and agile risk management measures. With the comprehensive risk management framework as the macro guidance, it strengthened top-level design and overall coordination. It took the key risk sub-systems as the support at the meso level and focused on credit risk, market risk, liquidity risk, among others, to ensure specialized and in-depth management and a closed-loop mechanism. At the micro level, it conducted comprehensive risk management for products and strengthened the full lifecycle risk control. In this manner, it created a three-tier linkage across macro, meso, and micro levels to comprehensively enhance risk management effectiveness. CITIC Wealth Management continuously strengthened risk prevention capabilities. With risk appetite as the core, it deepened risk identification and analysis of risk transmission paths, enhanced key indicator monitoring and stress testing applications, improved emergency risk management and reporting mechanisms, and continuously strengthened risk identification capabilities, response efficiency, and resilience.

As at the end of the reporting period, the underlying assets of new net-worth management products of CITIC Wealth Management were all performing assets, and asset quality maintained stable.

2.9.4 Distribution Channels

2.9.4.1 Retail Online Channels

China CITIC Bank APP

During the reporting period, the Bank continued to optimize the basic service scenarios of the mobile banking App and built standard and module-based operation system. On the one hand, it released Version 12.0 of its mobile banking App, refreshing the design language and interface to create a more streamlined and professional user experience. 18 major service categories were revamped to further enhance service value. As one of the first financial institutions in the industry to fully adapt to Huawei's HarmonyOS, the Bank has achieved over 98% coverage and taken the lead in synchronizing iOS, Android and HarmonyOS platforms to ensure a consistent and smooth customer experience. On the other hand, the Bank unlocked business value, strengthened the self-service capabilities of its online channels and product information transparency, and guided customers through the full journey from product discovery to position holding. At the pre-sale stage, the Bank refined its digital product selection capabilities, redesigned recommendation logic across wealth management, funds, deposits and gold channels, launched the "Flexible Deposit" product, and upgraded quantified selection zones including "CITIC Picks", "Best Buys of the Week", "Wenrui +", and "Premium Selection" to increase product exposure and click-through rates while driving customer conversion and purchase. During the sales process, the Bank enhanced information presentation and interpretation, provided features such as product highlights, position holding analysis, "7-day popularity indicators", ranking lists, and product insights, thereby lowering decision-making barriers for customers. At the post-sale stage, the Bank established a companion-style service system centered on the "Xinxin Family" operational reports and the "Wealth Academy" investor education brand to deliver timely market insights and volatility analysis, as well as position holding interpretation and product maturity transition services. In this manner, it comprehensively enhanced customers' position-holding experience. As at the end of the reporting period, the Bank's mobile banking App recorded 17.8279 million monthly active users.

Mobile Card Space App

During the reporting period, the Bank aimed at "architecture upgrade, scenario deepening, and intelligent efficiency enhancement", and continued to build a convenient, efficient and personalized online credit card service system with its Mobile Card App. **In terms of scenario ecosystem development**, the Bank focused on both merchant onboarding and customer segment management and built core scenarios such as the "Online Merchant System" and "Dining Privileges". It also launched dedicated channels, including "Selected Group Deals" and "Content Community", forming an integrated "people-products-scenarios" operating model. **In terms of user experience management,** on the one hand, the Bank integrated its five major portals[48] of the Mobile Card Space App and upgraded and iterated the flagship "Loans · Installments" section to achieve full coverage of benefits for installment products while providing one-stop installment processing services. Its intelligent search function was also optimized to support fuzzy semantic recognition, enabling precise identification of user needs. On the other hand, the Bank improved its customer care and service system and established an intelligent online service perception and response mechanism. Covering key card-using scenarios such as card binding, bill inquiry, repayment and installment, the mechanism can identify customer needs in real time and provide one-on-one human-assisted support, effectively making services more proactive and caring. As at the end of the reporting period, the Bank's Mobile Card Space App recorded 19.7647 million monthly active users.

Remote Customer Management Service Center

During the reporting period, the Bank's Remote Customer Management Service Center upgraded its "Human + AI" customer outreach model, expanded customer coverage and enhanced customer value through centralized digital operations. In building its "Smart Remote Customer Management Platform", the center utilized AI technology to identify, record and summarize customers' personalized needs, delivered wealth management related services and improved service efficiency. It further deepened the "Human + AI + WeCom" collaborative service model and precisely matched channels to customer needs to provide end-to-end closed-loop services. In this manner, it ensured that customers receive consistent, professional and real-time responses across online channels. During the reporting period, the Bank's Remote Customer Management Service Center proactively engaged customers over 100 million times, reaching more than 20.00 million customers.

[48] Referring to the five key columns, "Home", "Loans & Installments", "Credit Card", "Travel", and "Discounts & Points", in the Mobile Card Space App.

Open Banking

During the reporting period, the Bank advanced the development of open banking and the scenario-based ecosystem. Through standardized, modular and light docking solutions (including but not limited to API, SDK, H5 and WeChat Mini Program), it embedded financial/non-financial services into third-party cooperation scenarios and introduced third-party services to promote the rapid output of retail banking, inclusive finance, corporate banking and other characteristic products and services, and the efficient introduction of external resources from cooperative platforms. During the reporting period, the Bank jointly developed scenarios such as account, wealth, payment and bill payment with industries through standardized product components, serving more than 60.40 million person-times and recording more than RMB640.0 billion in cumulative transactions.

2.9.4.2 Corporate Online Channels

During the reporting period, the Bank accelerated the enhancement and upgrade of its three fund settlement service platforms, namely, corporate online banking, corporate mobile banking, and bank-enterprise direct connect. The Bank enabled online contract signing across all product lines on **corporate online banking**, significantly improving processing efficiency for corporate customers. A newly launched wealth management zone reengineered the processes of wealth management and transactions, enabling intelligent product recommendations and markedly enhancing customer service experience. The Bank released **corporate mobile banking** 4.0, which featured a comprehensive UI redesign and an expanded portfolio of financial products, including wealth management, bills, CITIC e Chain, and Cross-border Quick Loan. It also integrated non-financial scenarios such as business travel expense control, invoice management, and human resources, payroll and tax solutions into the Xiao Tianyuan Platform, delivering one-stop "finance + non-finance" services tailored to multiple user roles, including senior executives, finance personnel and employees. The Bank innovatively launched the **bank-enterprise cloud direct connect** service to offer a light direct access model free of front-end deployment, installation, testing, and maintenance requirements. The service was successfully integrated with leading third-party platforms such as DingTalk, Yonyou and Kingdee, effectively connecting scenario-side business flows with bank-side fund flows and enhancing integrated service quality. The efficient operation of the **four-tier operation and maintenance service system** significantly improved the timeliness of issue resolution and response resolution rate, which effectively alleviated post-sale operation and maintenance burdens for customer. During the reporting period, transaction volume of corporate customers through online channels amounted to RMB195.24 trillion, up by 9.86% year on year, and the coverage rate of corporate customers through online channels reached 97.84%.

2.9.4.3 Physical Outlets

Domestic Institutions

As at the end of the reporting period, the Bank had 1,484 outlets in 153 medium-sized and large cities in the Chinese mainland, including 37 tier-one branches (directly managed by the Head Office), 125 tier-two branches, and 1,322 sub-branches (including 27 community/micro and small sub-branches), plus 1,507 self-service banks (including onsite and offsite self-service banks), 3,053 self-service terminals and 9,460 smart teller machines (including 3,048 stand-alone ones). As such, the Bank has developed a diversified outlet service network that consists of comprehensive outlets, boutique outlets, community/micro and small outlets and off-bank self-service outlets.

The table below sets forth the distribution of the Bank's outlets by region:

	31 December 2025		31 December 2024	
Region	**Number of outlets**	**Percentage (%)**	Number of outlets	Percentage (%)
Yangtze River Delta	**304**	**20.49**	304	20.68
Bohai Rim	**314**	**21.16**	312	21.22
Pearl River Delta and Western Straits	**246**	**16.58**	242	16.46
Central China	**277**	**18.66**	272	18.51
Western China	**259**	**17.45**	255	17.35
Northeastern China	**84**	**5.66**	85	5.78
Total	**1,484**	**100.00**	1,470	100.00

With its branches and institutions almost covering all major and medium-sized cities across the Chinese mainland, the Bank continued to act on the principle of "reducing costs, increasing efficiency, cutting quantity and improving quality" in domestic branch and institution establishment. Through outlet network optimization, efficiency enhancement, operating cost control and other measures, the Bank achieved efficient resource allocation. In the meantime, the Bank actively responded to national strategies and major initiatives, including the Belt and Road Initiative, the coordinated development of the Beijing-Tianjin-Hebei region, the integrated development of the Yangtze River Delta, the development of the Guangdong-Hong Kong-Macao Greater Bay Area, and rural revitalization and strengthened financial service provision in key areas such as free trade zones, ports and new areas, comprehensively enhancing the accessibility of financial services.

In advancing technology-enabled outlet development, the Bank adhered to the principle of "acting in response to customers" and continued to promote intelligent upgrades across its outlets. First, the Bank refined the customer acquisition process for loan issuance and disbursement at smart counters through seamless integration with an intelligent credit card cloud-based application process, reducing duplicate data entry and improving customer experience. Second, it introduced customer identification and queue early-warning functions. Upon a customer's arrival, key business contract signing information is automatically pushed to the assigned customer manager, while waiting times are monitored and graded alerts are issued, strengthening service response capabilities of outlet lobbies. Third, in response to regulatory requirements on facilitating financial services for foreigners in China, the Bank made it possible to use the Foreign Permanent Resident ID Cards and dual-document linkage of Mainland Travel Permits and Residence Permits for Hong Kong and Macao to handle the service. Subject to local regulatory requirements, account opening using passports from 12 countries is also supported, further strengthening financial service capabilities for foreign customers. Fourth, the Bank upgraded its big data-driven site selection platform, "Huiju", and preliminarily established panoramic view analysis and full lifecycle management capabilities for outlets, thereby advancing outlet management toward intelligent and digital development.

Overseas Institutions

In terms of overseas institutions, the Bank set up London Branch in the UK, Hong Kong Branch in the Hong Kong SAR and Sydney Representative Office in Australia. CNCBI, an affiliate of the Bank, had 28 outlets and 2 business wealth management centers and 1 private banking center in the Hong Kong SAR, the Macao SAR, New York, Los Angeles, Singapore and the Chinese mainland. CNCB Investment had 3 subsidiaries in the Hong Kong SAR and the Chinese mainland. Altyn Bank had 7 outlets and 1 private banking center in Kazakhstan. During the reporting period, in line with its strategic development plan, the Bank actively guided overseas institutions to leverage their channel advantages and functional positioning, continuously enhanced the management of overseas institutions in their human resources, overseas business operations, IT system development, risk compliance, authorization, and performance evaluation, guided these institutions in compliant and prudent operations, and steadily promoted the upgrading of Sydney Representative Office.

2.9.5 Overseas Branches

2.9.5.1 London Branch

London Branch, the Bank's first overseas branch directly managed by the Head Office, was opened for business in June 2019. It conducts the wholesale banking business and its services covers deposits, loans such as bilateral lending, syndicated lending, trade finance and cross-border M&A finance, financial markets services such as agency spot foreign exchange trading, money market trading, derivative trading, offshore RMB trading, bond repurchase and investment in and issuance of bonds and interbank certificates of deposit, as well as financial services such as cross-border RMB payment settlement.

During the reporting period, London Branch continuously strengthened risk control and compliance management, enhanced operational resilience, deepened collaboration between domestic and overseas operations, gave full play to its functions as the financing center in EMEA[49], actively expand local quality customers and served Chinese companies "going global". It actively advanced the internationalization of the RMB and successfully issued offshore RMB Dim Sum bonds. It undertook the forex transactions business of the Head Office during European trading sessions, provided customers with efficient and convenient forex services throughout the day, actively performed its duties as an interbank forex market maker, and offered the market continuous two-way quotations. During the reporting period, London Branch recorded a proprietary trading volume of USD24.252 billion and a forex trading volume of USD44.660 billion as an agent of the Head Office.

During the reporting period, London Branch realized an operating income of USD33,273.2 thousand[50]. As at the end of the reporting period, London Branch recorded total assets of USD3.375 billion.

2.9.5.2 Hong Kong Branch

In March 2024, Hong Kong Branch of the Bank was officially opened for business, with the main service scope covering loan businesses such as bilateral loans, syndicated loans, and cross-border M&A financing, as well as financial markets businesses including money market transactions, offshore RMB transactions, bond repurchase businesses, and investments in bonds and interbank certificates of deposit.

During the reporting period, Hong Kong Branch achieved an operating income of HKD23,481.7 thousand[51]. As at the end of the reporting period, Hong Kong Branch recorded total assets of HKD14.445 billion.

49 Referring to Europe, the Middle East and Africa.
50 The USD/RMB exchange rate was 6.989 on 31 December 2025.
51 The HKD/RMB exchange rate was 0.897878955 on 31 December 2025.

2.9.6 Subsidiaries and Joint Ventures

2.9.6.1 CIFH

CIFH was incorporated in Hong Kong in 1924. It was acquired by CITIC Group in June 1986 and restructured to become an investment holdings company after its acquisition of the then Hong Kong Chinese Bank Limited in 2002. It is now a wholly-owned subsidiary of the Bank, with an issued share capital of HKD7.503 billion. CIFH is the main platform for the Bank to conduct its overseas businesses. Its business scope includes commercial banking and non-banking financial services. CIFH conducts its commercial banking business mainly via its holding subsidiary CNCBI (in which CIFH holds 75% equity interest), and conducts its non-banking financial business primarily via CIAM (in which CIFH holds 46% equity interest).

As at the end of the reporting period, CIFH had 2,650 employees and no retired employees at the company's expense. It recorded HKD550.091 billion in total assets and HKD64.736 billion in net assets, up by 12.14% and 5.75% from the end of the previous year, respectively. During the reporting period, it realized operating income of HKD10.876 billion, representing a year-on-year increase of 2.55%, while its net profit reached HKD3.072 billion, up by 10.72% year on year.

CNCBI: CNCBI is a licensed bank incorporated in Hong Kong. As the Bank's principal platform for overseas business and primary channel for cross-border collaboration, it actively integrates into Group-wide synergies, continuously strengthens its customer base, and enhances its comprehensive cross-border service capabilities.

In terms of corporate banking, CNCBI delivered outstanding performance in the syndicated loan business, ranking among the top three Hong Kong-incorporated Chinese banks on the list of lead arrangers and bookkeepers in the Hong Kong and Macao syndicated loan market[52]. In the securities service business, as at the end of the reporting period, securities custody assets amounted to HKD424.345 billion and the balance of bond trust reached HKD312.339 billion, representing year-on-year increases of 37.60% and 72.25%, respectively. During the reporting period, CNCBI obtained a Type 13 license from the Securities and Futures Commission of Hong Kong, further strengthening its custodial service capabilities. **In terms of treasury and global market business,** RMB foreign exchange business recorded a strong performance, with average trading volume on the London Stock Exchange ranking second among Hong Kong-incorporated Chinese banks. Its position in the debt capital markets continued to solidify. During the reporting period, CNCBI completed 226 public bond issuance with an aggregate size of USD72.751 billion, and was awarded by *The Asset* as a "Top Investment House in Asian G3 bonds". **In terms of personal and corporate banking,** CNCBI continued to optimize the layout of its private banking centers, further enhanced the coordinated service efficiency of its "Hong Kong + Singapore" dual private banking hubs and deepened its wealth management capabilities across the Asia-Pacific region. During the reporting period, income from wealth management increased by 35.80% year on year, while that from private banking grew by 39.93% year on year, both reaching record highs.

[52] According to the statistics of the London Stock Exchange.

As at the end of the reporting period, CNCBI issued share capital of HKD18.404 billion. Its total assets reached HKD546.649 billion, representing a year-on-year increase of 12.23%, while net assets amounted to HKD59.864 billion, up by 6.20% year on year. During the reporting period, its operating income amounted to HKD10.843 billion and net profit reached HKD3.048 billion, representing year-on-year growth of 2.61% and 11.17%, respectively.

CIAM: CIAM is a Hong Kong-based institution mainly engaged in private equity investment and asset management. During the reporting period, upholding the strategy of "controlling risks, increasing income, reducing costs and streamlining tiers", CIAM strengthened the management of projects and platform companies as well as orderly exit, and enhanced the recovery of debt projects. In addition, CIAM continued to strengthen expense management and control and reduced operational costs.

2.9.6.2 CNCB Investment

CNCB Investment is a wholly-owned subsidiary of the Bank established in Hong Kong in 1984 with a registered capital of HKD1.871 billion. Its business scope covers lending (holding a Hong Kong money lender license), investment (mainly including bond investment, fund investment, stock investment, long-term equity investment, etc.), and overseas licensed investment banking business and domestic equity investment fund management business via its own subsidiaries.

As the overseas investment banking platform of the Bank, CNCB Investment continued to focus on its core licensed businesses and built a competitive business system. During the reporting period, in the asset management business, it successfully launched its first public USD money market fund and the sales exceeded HKD1.1 billion. The range of products under active management was further expanded, with steady progress made in developing key distribution channels and customer base, driving assets under active management increasing by 21.63% compared with the end of the previous year. The bond underwriting business recorded rapid growth, with 216 underwriting projects completed during the year. By underwriting volume, it ranked No. 5[53] among Chinese-funded institutions in the offshore bond underwriting market, firmly positioning itself within the top tier. Proprietary trading further expanded on a global basis, with active progress made in foreign credit trading, while U.S. Treasury futures were utilized to effectively manage interest rate fluctuations.

As at the end of the reporting period, CNCB Investment recorded total assets of USD5.841 billion, up by 11.95% over the end of last year, and recorded net assets attributable to the parent company of USD824 million, up by 6.89% from the end of the previous year. During the reporting period, net profit attributable to the parent company amounted to USD0.7 million due to fluctuations in the value of financial assets and a decline in returns from equity investment.

[53] According Chinese overseas bond platform data from DMI (DealingMatrix International).

2.9.6.3 *CITIC Financial Leasing*

Wholly owned by the Bank, CITIC Financial Leasing was incorporated in Tianjin in April 2015 with a registered capital of RMB10 billion[54]. Its business scope covers financial leasing, transfer and acquisition of finance lease assets, investment in fixed-income securities, and the realization and disposal of leased assets, among others.

During the reporting period, CITIC Financial Leasing continued to drive strategic transformation and steadily implemented the strategy of "developing leasing of two large-sized assets and two small-sized assets and optimizing leasing of medium-sized assets", fully supporting the development of the real economy. In terms of large-sized assets, it stepped up cooperation with shipbuilding, aviation and shipping companies, invested RMB13.364 billion in aircraft and ship-related business, and completed the industry's first finance lease project for an oil-electric hybrid bulk carrier. In terms of small-sized assets, it invested RMB29.859 billion in the fields of vehicles and household photovoltaic systems, etc., took the lead in launching a project company-based fund model for high-quality household photovoltaic projects, and further extended it to include a trust model and a government-guided fund model, serving over 210,000 rural households. In the passenger vehicle segment, market expansion accelerated, with financing services provided for more than 70,000 vehicle owners during the year. On the medium-sized asset side, the company strengthened support for key sectors such as green and environmental protection industries and strategic emerging industries. As at the end of the reporting period, the balance of green leasing reached RMB30.171 billion, while the leasing balance in strategic emerging industries totaled RMB30.840 billion.

As at the end of the reporting period, CITIC Financial Leasing recorded total assets of RMB122.053 billion and net assets of RMB13.581 billion, up by 46.31% and 49.72% from the end of the previous year respectively. During the reporting period, CITIC Financial Leasing realized net operating income and net profit of RMB3.547 billion and RMB1.506 billion, marking a growth rate of 109.04% and 60.82% year on year respectively.

2.9.6.4 *CITIC Wealth Management*

CITIC Wealth Management was incorporated in Shanghai in July 2020 with a registered capital of RMB5.0 billion. As a wholly-owned subsidiary of the Bank, CITIC Wealth Management mainly engages in the issuance of wealth management products, investment and management of investor assets under custody and financial advisory and consulting. For details of asset management business during the reporting period, please refer to relevant content on asset management under "Financial Markets Business" in this chapter.

As at the end of the reporting period, CITIC Wealth Management had 501 employees and no retired employees at the company's expense. It registered total assets of RMB14.940 billion and net assets of RMB13.984 billion, marking a growth rate of 23.86% and 23.66% respectively. During the reporting period, it recorded operating income and net profit of RMB4.408 billion and RMB2.664 billion, up by 9.37% and 6.93% year on year, respectively.

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[54] For details on the change of registered capital of CITIC Financial Leasing, please refer to "2.11 Material Investments, Material Acquisitions, Material Sales of Assets and Equity"of this report.

2.9.6.5 *CITIC Bank Financial Asset Investment*

CITIC Bank Financial Asset Investment was incorporated in Guangzhou, Guangdong Province in November 2025 with a registered capital of RMB10 billion. It is a wholly owned subsidiary of the Bank, and its principal business scope covers market-oriented debt-to-equity swaps.

2.9.6.6 *CITIC aiBank*

CITIC aiBank was incorporated in Beijing in September 2017, and is the first direct bank with independent legal person status in China jointly established by the Bank and Fujian Baidu Borui Network Technology Co., Ltd., with a registered capital of RMB5.634 billion. The Bank holds 65.70% of its shares. The business scope includes deposits and loans (mainly for individuals and small and micro-sized enterprises), settlement, acceptance and discounting of electronic bills, and agency collection and payment services, etc., through electronic channels.

During the reporting period, CITIC aiBank remained committed to serving the real economy and focused on addressing financing bottlenecks faced by inclusive small and micro-sized enterprises. It introduced digital products such as "Entrepreneurship Guaranteed Loans" and "Business Loans" to meet the needs of inclusive small and micro-sized enterprises for financial services. As at the end of the reporting period, the balance of inclusive loans to small and micro-sized enterprises amounted to RMB12.768 billion, representing an increase of 40.29% compared with the end of the previous year. To meet the policy requirements of stimulating consumption and improving livelihoods, the Bank continuously optimized its proprietary consumer credit product "Haohuihua". In the whole year, the cumulative scale of loan disbursement of "Haohuihua" reached RMB17.335 billion. The Bank actively explored innovative applications of digital technologies in financial scenarios and developed "Lingxi", an intelligent agent, which is capable of accurately understanding user needs and covers over 90% of customer service scenarios. It delivered more intelligent, convenient, user-friendly and caring financial services.

As at the end of the reporting period, CITIC aiBank recorded total assets of RMB128.086 billion and net assets of RMB10.416 billion. During the reporting period, it generated operating income of RMB5.929 billion and net profit of RMB453 million.

2.9.6.7 *Altyn Bank*

Altyn Bank, formerly an affiliate of HSBC, was established in Kazakhstan in 1998. In November 2014, it was wholly acquired by the Halyk Savings Bank of Kazakhstan, the largest commercial bank in the country. In April 2018, the Bank completed the acquisition of the majority stake in Altyn Bank. At present, the Bank holds 50.1% of shares in Altyn Bank.

During the reporting period, Altyn Bank further integrated into China-Kazakhstan economic and trade cooperation and actively participated in the joint development of the Belt and Road Initiative. It proactively developed distinctive cross-border businesses and strengthened its differentiated competitive advantages. Leveraging the advantages of CITIC Group as the Chinese chairing institution of the China-Kazakhstan Entrepreneurs Committee, it provided high-quality services to give support to two-way investment and cooperation between Chinese and Kazakh enterprises. During the reporting period, Altyn Bank continued to steadily distribute cash dividends, consistently creating value for its shareholders.

As at the end of the reporting period, Altyn Bank recorded total assets of KZT1.33 trillion[55], and net assets of KZT165.408 billion. During the reporting period, it realized operating income of KZT65.984 billion and net profit of KZT40.004 billion.

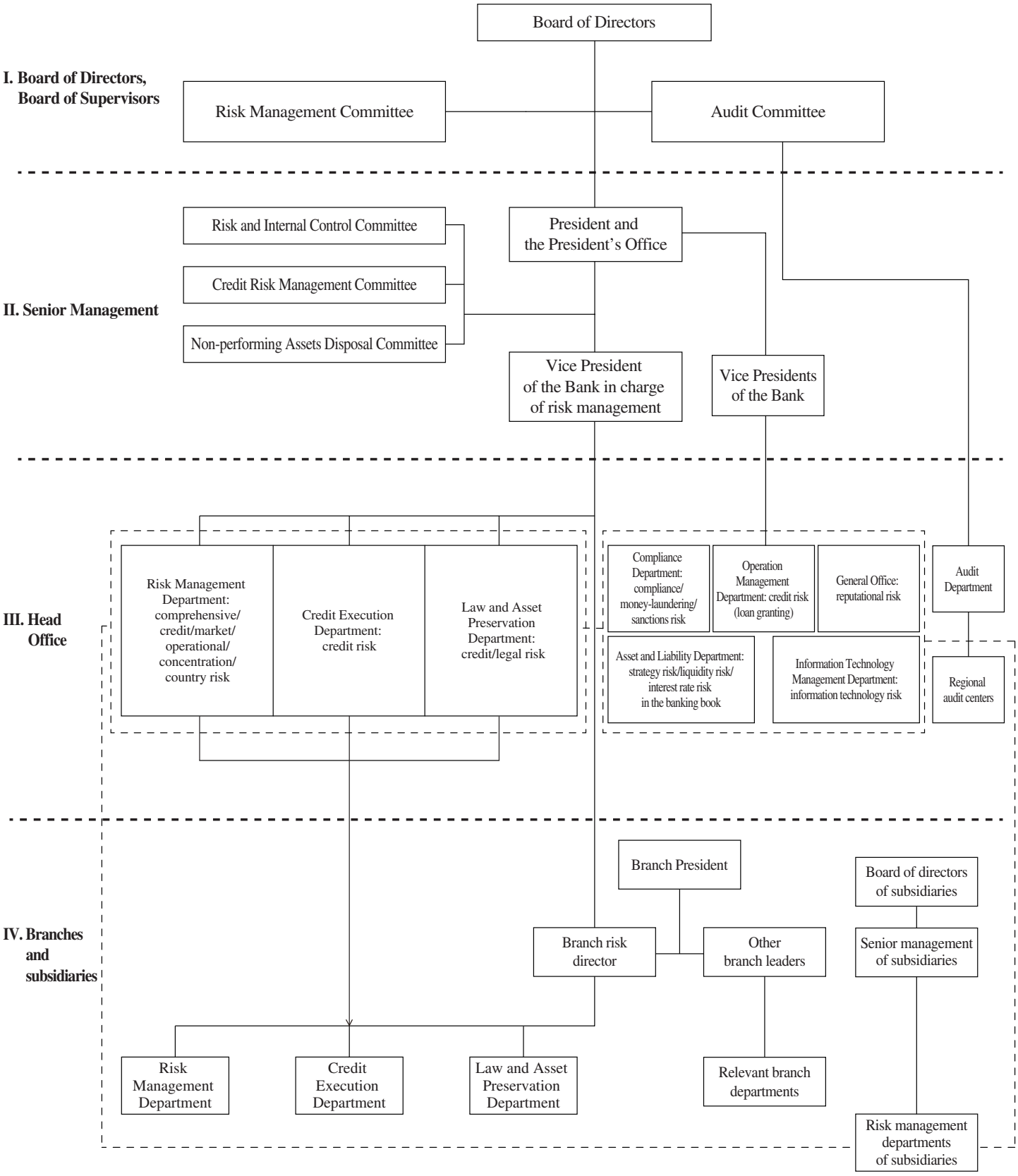
2.9.6.8 *Lin'an CITIC Rural Bank*

Lin'an CITIC Rural Bank was incorporated in Hangzhou, Zhejiang Province in December 2011. It has a registered capital of RMB200 million, with the Bank holding 51% of its equity interest. Lin'an CITIC Rural Bank is mainly engaged in general commercial banking business. As at the end of the reporting period, the total assets and net assets of Lin'an CITIC Rural Bank were RMB1.860 billion and RMB249 million, respectively.

[55] The KZT/RMB exchange rate was 0.013859089 on 31 December 2025.

2.10 Risk Management

2.10.1 Risk Management Structure



2.10.2 Risk Management System

The Bank continued to improve the comprehensive risk management system that is "effective in controlling risks and promoting development", and constantly deepened the prudential risk compliance culture. Adhering to the orientation of high-quality development, it continued to advance the "Five Policies" working mechanism and optimize its credit structure in advancing the "Five Priorities" of finance. It improved the unified credit management system and strengthened regional and customer concentration control. It deepened the mechanism for integrated credit approval, management and inspection, improved the full-time approver system, strengthened proactive post-lending management and the building of risk mitigation management system, and refined the whole-process management mechanism for credit business. It strengthened risk management in key areas such as real estate, local government debt, and retail banking, and employed multiple measures to resolve risk projects, thereby maintaining stable asset quality. It deepened the comprehensive risk look-through management of subsidiaries, strengthened targeted guidance with one policy tailored for one company, and enhanced the risk management capabilities of the Bank.

The Bank made risk appetite a drive to transmit and implement national policy orientations, upheld a prudent overall risk appetite, and made consistent efforts to ensure compliance and prevent systemic risks. The Bank elaborated on risk appetite from four perspectives of value, capital, risk and social responsibility, defined quantitative indicators of risk appetite at different levels, and clearly specified bottom-line requirements for the management of major risks associated with credit, market, operation and liquidity, among others. The Bank strengthened the connection of risk appetite with credit policies, risk limits, capital management, and appraisal and assessment, highlighting both uniformity and difference, intensified risk appetite management of subsidiaries, and advanced the effective transmission and execution of risk appetite across the Group.

In pursuit of "a panoramic view, comprehensive control, and thorough rectification", the Bank accelerated the renewal and upgrade of the digital risk control system. By continuously improving the risk management system cluster, it fully implemented a unified risk view across the Group, and advanced the development of an enterprise-level risk control middle office. It constantly refined risk control modeling tools, intensified the exploration of "AI + risk management", and continuously enhanced the online, standardized and intelligent management of key stages throughout the full risk management process.

2.10.3 Credit Risk Management

Credit risk refers to the risk of a bank incurring losses in its business due to the failure of its borrowers or transaction counterparties to fulfill the obligations specified in relevant agreements or contracts. The Bank's credit risk mainly comes from various credit businesses, including but not limited to loans (factoring included), guarantees, acceptance, loan commitments, and other on-and off-balance sheet credit businesses, as well as bond investment of the banking book, derivatives trading and security financing, structured finance, and other businesses.

The Bank's credit risk management framework mainly consists of the Board of Directors and the Risk Management Committee under it, the senior management and the Risk and Internal Control Committee, the Credit Risk Management Committee (including its Credit Approval Committee), the Non-performing Assets Disposal Committee under it, as well as the Risk Management Department, the Credit Execution Department, the Law and Asset Preservation Department, and various front-office customer and business departments.

Under the overall objective of maintaining stable asset quality and increasing the proportion of high-quality customers and guided by the principle of serving the real economy and preventing risks, the Bank continuously optimized its credit structure, enhanced comprehensive financial service capabilities, strengthened the whole-process credit management, prevented systemic risks, and kept credit risks within a tolerable range. For details on the credit risk management of various businesses of the Bank during the reporting period, please refer to the "Business Overview" of this chapter.

The Bank strictly implemented the *Administrative Measures for Large Exposures of Commercial Banks* and other relevant provisions, proactively conducted management of large exposures under the framework of comprehensive risk management, reinforced the institutional foundation, and carried out statistical monitoring and regulatory submission in an orderly manner. During the reporting period, the Bank strictly implemented the identification and classification standards for customers with large exposures, with all indicators related to large exposures in compliance with regulatory limits.

2.10.3.1 *Optimization of the Credit Structure*

By leveraging the "Five Policies" working mechanism, the Bank guided and optimized the asset allocation structure, with a focus on serving the real economy and strengthening support for key areas and weak links. The Bank clarified credit strategies for key areas such as technology finance, green finance, new quality productive forces, mass consumption, traditional industry upgrading, agriculture, forestry, animal husbandry and fisheries, capital markets and M&A, supply chain finance, cross-border finance, and transition finance.

The Bank focused on risk management in key areas. It continued to effectively implement the urban real estate financing coordination mechanism to promote the stable and healthy development of the real estate market and concentrated its real estate loan structure towards the Beijing-Tianjin-Hebei region, the Yangtze River Delta, the Guangdong-Hong Kong-Macao Greater Bay Area, and the Chengdu-Chongqing Economic Circle as well as tier one and tier two cities. At the same time, the Bank implemented the national decisions and plans on preventing and defusing local government debt risk, while providing orderly and effective support for resolving local debts, and continuously optimized credit structure in relation to local debt.

2.10.3.2 *Improvement of the Review and Approval Mechanism*

The Bank revised the group customer credit management measures by further strengthening the unified credit management for group customers across the Bank and ensuring consistency in risk appetite. Guided by the principle of safeguarding the bottom line and preventing systemic risks, the Bank improved the credit review and approval system and procedures to enhance review and approval independence, quality and efficiency. The review and approval standards (guidelines) were revised to ensure the timely implementation of national policies and to reinforce the application of internal ratings in credit approval.

2.10.3.3 *Reinforcement of Proactive Post-lending Management*

The Bank continued to advance the development of a post-lending and post-investment management system, implemented the four-category credit customer management, and proactively and orderly phased out the credit business of corporates with inefficient and outdated capacity. The Bank continued to carry out tiered and categorized risk monitoring, strengthened oversight of credit fund flows and public market information, and enhanced risk screening for key sectors and customers. The Bank continued to conduct a Bank-wide re-examination of credit approvals to further improve the quality, compliance, and risk control of its credit business.

2.10.3.4 *Enhancement of Digital Risk Control Capabilities*

The Bank actively explored multi-scenario applications of big data and artificial intelligence, improved the early-warning and risk mitigation management systems, and continuously strengthened the timeliness, accuracy, and forward-looking nature of credit risk management.

2.10.4 Market Risk Management

Market risk refers to the risk of on- and off-balance sheet businesses of a bank incurring losses due to unfavorable changes in market prices (including interest rate, exchange rate, stock price, and commodity price). The main market risk confronting the Bank includes interest rate risk, exchange rate risk, and commodity (precious metals) risk. The Bank has established a market risk management system covering market risk identification, measurement, monitoring, control, and reporting. By closely monitoring market risk, strictly implementing product access and risk limit management, and timely conducting risk measurement and reporting, the Bank has effectively prevented and controlled its market risk. The target of market risk management of the Bank is to keep market risk within an acceptable and reasonable range and strike an appropriate balance between risk and return.

During the reporting period, the Bank optimized its market risk appetite, ensured the effective transmission, re-examined and monitored its market risk limits, and continuously monitored risks. In accordance with the latest regulatory requirements, it revised market risk management policies and measurement management methodologies. In the meantime, it strengthened consolidated management and guided subsidiaries to improve their management systems, thereby reinforcing the management foundation. The Bank continuously tracked and monitored market fluctuations of interest rate and exchange rate, conducted risk screening and warnings, and carried out stress testing and contingency drills to effectively prevent and manage market risk. For details of market risk capital measurement, please refer to the *Third Pillar Information Disclosure Report of 2025* issued by the Bank. For details on interest rate gap, foreign exchange exposure, and sensitivity analysis, please refer to Note 55(b) to the financial report of this report.

2.10.4.1 *Management of Interest Rate Risk in the Trading Book*

The Bank's interest rate risk in the trading book primarily stems from bond trading and interest rate derivative transactions. The Bank established a complete risk limit system for the interest rate risk in the trading book, set limits such as value at risk, interest rate sensitivity, and market value loss according to features of different products, and regularly assessed the tail risk of interest rate risk in the trading book through stress testing and other tools, to control the interest rate risk in the trading book within the tolerable level under its risk appetite.

The Bank's interest rate risk in the trading book is mainly affected by changes in yields of the domestic bond market. During the reporting period, the domestic bond market yields exhibited volatility, with the 10-year central government bond yield ranging between 1.6% and 1.9%. In response, the Bank closely tracked market changes, strengthened market analysis, effectively carried out risk monitoring and forewarning, prudently controlled the interest rate risk exposure in the trading book, and ensured accurate measurement, regular analysis and reporting of the interest rate risk.

2.10.4.2 *Exchange Rate Risk Management*

Exchange rate risk refers to the risk of on- and off-balance sheet businesses of a bank incurring losses due to unfavorable changes in exchange rates. The Bank mainly measures the magnitude of exchange rate risk through foreign exchange exposure analysis. Its foreign exchange exposure mainly comes from the foreign exchange position formed through foreign exchange transactions and from foreign currency capital and foreign currency profits. The Bank manages exchange rate risk by reasonably matching Renminbi and foreign currency-denominated assets with liabilities denominated in the same currencies and by making appropriate use of derivative financial instruments. For foreign exchange exposures of Bank-wide assets and liabilities, as well as foreign exchange exposures formed in foreign exchange settlement and sale, foreign exchange trading and other transactions, the Bank sets exposure limits to control its exchange rate risk at an acceptable level.

The exchange rate risk of the Bank was mainly subject to changes in the Renminbi exchange rate against the US dollar. During the reporting period, the exchange rate of the Renminbi against the US dollar fluctuated with an overall upward trend, appreciating by 4.43% cumulatively. The Bank strictly controlled the foreign exchange risk exposures of relevant businesses, and intensified daily monitoring, forewarning and reporting of exchange rate movements and foreign exchange risk exposures, controlling the exchange rate risk within the acceptable range.

2.10.4.3 *Commodity (Precious Metals) Risk Management*

The Bank's commodity risk primarily arises from gold and silver businesses and is controlled mainly through limit indicators on value at risk, exposure, and loss. During the reporting period, the international gold price was on a volatile rise, cumulatively up by 64.56%. The Bank continuously tracked and monitored market dynamics, analyzed and assessed their impact on business profits and losses, and maintained commodity risk within an acceptable range.

2.10.5 Management of Interest Rate Risk in the Banking Book

Interest rate risk in the banking book is defined as the risk of loss in the overall earnings and economic value of the banking book arising from adverse movements in interest rates, maturity structure, and other factors. It consists of gap risk, benchmark risk, and option risk. The Bank manages its interest rate risk in the banking book with the basic objective of controlling its interest rate risk in the banking book within a reasonable range according to its risk management capability, risk appetite, and tolerance. Relying on effective comprehensive risk management, the Bank established a sound management system for interest rate risk in the banking book, including a multi-level risk management structure, risk management strategies and processes, risk identification, measurement, monitoring, control and mitigation systems, internal control and audit policies, information management systems, risk reporting and information disclosure mechanisms, etc.

During the reporting period, the Bank closely followed changes in monetary policies and fiscal policies, strengthened the analysis and prediction of the trend of market interest rate and the simulation and analysis of changes in customer behavior, and adjusted response measures in a forward-looking manner. It applied gap analysis, sensitivity analysis, stress testing, and other methods to monitor the risk exposure level and changes from multiple dimensions such as re-pricing gap, duration, change in net interest income (△NII), and change in economic value of entity (△EVE). It also flexibly employed price guidance, duration management, scale management, hedging, and other management tools to ensure the overall stability of the Bank's interest rate risk exposures in the banking book. Under the combined effect of the above management measures, the Bank's management indicators for interest rate risk in the banking book fluctuated within the risk tolerance range of the Bank during the reporting period.

2.10.6 Liquidity Risk Management

Liquidity risk refers to the risk that a bank is unable to obtain adequate capital in a timely manner and at a reasonable cost to repay matured debts, perform other payment obligations or meet other capital needs for normal business. The Bank's liquidity risk management aims to effectively identify, measure, monitor and control the liquidity risk at the legal person level and the Group level by establishing a science-based and sound system for liquidity risk management, and ensures that the liquidity demand can be met at a reasonable cost in a timely manner on the premise of compliance with regulatory requirements.

The Bank has set up a robust governance structure for liquidity risk management, which clearly lays out the division of duties among the Board of Directors, and the senior management and subordinate specialized committees and the relevant management departments of the Bank, and explicitly defines the strategies, policies and procedures on liquidity risk management. The Board of Directors assumes the ultimate responsibility for liquidity risk management of the Bank, and reviews and approves the liquidity risk appetite, liquidity risk management strategy, important policies and procedures, etc. The Audit Committee of Board of Directors is responsible for supervising and evaluating the performance of the Board of Directors and the senior management in liquidity risk management, and reporting to the shareholders' meeting. The senior management shall take charge of the management of liquidity risk, keep abreast of major changes in liquidity risk and regularly report to the Board of Directors. The Asset and Liability Committee of the Head Office shall perform part of the responsibilities of

the senior management under the latter's authorization. As the leading department for liquidity risk management of the Bank, the Asset and Liability Department of the Head Office is responsible for formulating policies and procedures for liquidity risk management, as well as measuring, monitoring and analyzing liquidity risk and other specific management work. The Audit Department of the Head Office is responsible for auditing, supervising and evaluating the Bank's liquidity risk management.

The Bank maintains a prudent liquidity risk level and implements a prudent, coordinated liquidity risk management strategy and a unified liquidity risk management mode. The Head Office is responsible for formulating liquidity risk management policies and strategies for the Group and its legal-person institutions, and for managing liquidity risk at the legal-person institution level in a centralized manner. All domestic and overseas affiliates of the Group are responsible for developing and continuously implementing their own strategies policies and procedures for liquidity risk management pursuant to the requirements of competent regulators and within the Group's master policy framework on liquidity risk management.

During the reporting period, the People's Bank of China implemented a moderately accommodative monetary policy, injected liquidity into the market through the combination of reserve requirement ratio cuts, open market operations, and the Medium-term Lending Facility (MLF). It lowered open market operation rates by 10 basis points, optimized the MLF operational mechanism, and guided market interest rates downward. It introduced and refined structural monetary policy tools, cut re-lending interest rates by 25 basis points, and increased financial support for key sectors and weak links. Money market liquidity remained at a reasonable and ample level throughout the year, with the money market interest rates trending downward amid fluctuations.

The Bank constantly enhanced liquidity risk management, increased the foresight and proactiveness of liquidity management, and kept optimizing the coordinated management of assets and liabilities. It consistently stabilized and increased deposits, improved the total amount and structure of fund sources and utilization, and maintained a dynamic balance between liquidity and profitability in a coordinated manner. It also enhanced liquidity risk measurement and monitoring, kept practicing liquidity risk limit management, and ensured that liquidity risk indicators met regulatory requirements and were maintained at reasonable levels. Moreover, the Bank properly conducted routine liquidity management, strengthened market analysis and forecast, made forward-looking fund arrangements, and improved the efficiency of fund utilization on the basis of ensuring liquidity security. It reinforced proactive management of liabilities and maintained a reasonable and proactive liability structure so as to ensure smooth channels and diversified sources for financing. In addition, the Bank continued to promote the issuance of financial bonds to replenish and stabilize the sources of liabilities. It paid attention to emergency liquidity management and enhanced its emergency management capability. During the reporting period, the Bank, taking into account major factors and external environmental factors that may trigger liquidity risk, reasonably set stress scenarios and conducted liquidity risk stress testing on a quarterly basis. In the mild, medium, and severe scenarios, the Bank's minimum survival periods all exceeded the 30-day limit specified by the regulatory requirement.

As at the end of the reporting period, the Group's liquidity indicators continued to meet regulatory requirements. The liquidity coverage ratio was 144.22%, 44.22 percentage points higher than the minimum regulatory requirement, indicating that the Group had an adequate reserve of premium liquid assets and a strong capacity to withstand the short-term liquidity risk shocks, which is set out below:

Unit: RMB million

Item	**31 December 2025**	31 December 2024	31 December 2023
Liquidity coverage ratio	**144.22%**	218.13%	167.48%
Qualified premium liquid assets	**1,080,670**	1,264,199	923,158
Net cash outflow in the coming 30 days	**749,299**	579,554	551,189

Note: The Group disclosed relevant information on its liquidity coverage ratio in accordance with the *Rules on Disclosure of Liquidity Coverage Ratio of Commercial Banks* (CBRC Decree [2015] No.52).

The net stable funding ratio was 104.65%, 4.65 percentage points higher than the minimum regulatory requirement, indicating that the available stable funding sources for the Bank could support the needs of sustainable business development, which is set out below:

Unit: RMB million

Item	**31 December 2025**	30 September 2025	30 June 2025
Net stable funding ratio	**104.65%**	106.18%	107.26%
Available stable funding	**5,680,395**	5,665,103	5,643,323
Required stable funding	**5,428,041**	5,335,381	5,261,426

Note: The Group disclosed relevant information on its net stable funding ratio in accordance with the *Rules on Disclosure of Net Stable Funding Ratio of Commercial Banks* (CBIRC Decree [2019] No.11).

For relevant information on the Group's liquidity gaps as at the end of the reporting period, please refer to Note 55(c) to the financial report of this report.

2.10.7 Operational Risk Management

Operational risk refers to the risk of loss resulting from deficiencies in internal procedures, employees, and information technology systems, or from external incidents. It includes legal risk but excludes strategic and reputational risks. The Bank has established a comprehensive operational risk management system, laying a solid foundation for risk governance. Aiming to continuously strengthen its risk control capabilities and resilience to both internal and external shocks, enhance service efficiency, and deliver greater returns to shareholders, the Bank established a proper value orientation for operational risk management and fostered a sound culture of operational risk management. It has reinforced the integration of operational risk management with frameworks and mechanisms on business continuity, outsourcing risk management, cybersecurity, and data security, thereby enhancing the operational resilience of the Bank.

During the reporting period, the Bank continuously enhanced its operational risk management system and comprehensively advanced the application for operational risk measurement with standardized capital approaches. It revised operational risk management policies and supporting systems, optimized the operational risk event collection mechanism, established a key risk indicator monitoring system, and deepened the dynamic assessment mechanism. It continuously improved the quality of event collection, enriched monitoring indicators, enhanced assessment effectiveness, and significantly increased the accuracy of capital measurement and the depth of tool utilization. It strengthened the development of an operational risk culture and organized multi-level, multi-dimensional, and multi-area operational risk training and awareness-raising campaigns. It strengthened consolidated operational risk management for subsidiaries and continuously elevated the operational risk management level of the Group. The Bank further reinforced the development of management systems for business continuity, information technology risk, and outsourcing risk, conducted comprehensive business impact analysis, enhanced backup resource preparation for business continuity, executed multi-scenario emergency drills, and continuously monitored and mitigated operational disruption risk. It optimized information technology risk assessment mechanisms, expanded monitoring dimensions, improved assessment quality and efficiency, and enhanced information technology risk monitoring and early warning capabilities. It refined outsourcing management, with clear delineation of the three lines of defense, and further strengthened its outsourcing risk prevention and management capabilities. During the reporting period, the operational risk management system of the Bank maintained stable operation, with overall risk under control.

2.10.8 Compliance Risk Management

Compliance risk refers to the possibility of criminal, administrative and civil liabilities, property losses, reputation damage or other negative impacts incurred by financial institutions or their employees because financial institutions' operations and management, or their employees' performance of duty is not compliant with relevant regulations. Compliance risk management is a core risk management activity of the Bank, with the Board of Directors being the decision-making body for significant compliance matters and ultimately responsible for the effectiveness of compliance management of the Bank.

During the reporting period, the Bank strictly implemented regulatory policies and requirements, continuously established and improved a compliance management system commensurate with its business scope, operational scale, and risk profile, enhanced the quality and efficiency of compliance management, and promoted lawful and compliant operations. The Bank enhanced the top-level design of its compliance management. It fully benchmarked against the requirements of the *Measures for the Compliance Management of Financial Institutions* issued by the NFRA, and revised and refined the *Compliance Management Policy of China CITIC Bank Corporation Limited*, further strengthening the compliance management system across the Group. The Bank strengthened the transmission and implementation of new policies and regulations. It supervised the incorporation of 63 new regulatory rules, including those related to the "Five Priorities" of finance and the *Anti-Money Laundering Law*. Focusing on key areas such as serving the real economy and preventing financial risks, the Bank released 14 issues of *Policy Briefing* and 21 issues of *Compliance Risk Alert* to promptly communicate the requirements of new regulations and policies, and clarify compliance red lines for businesses. The Bank deepened risk prevention and control in key areas. It implemented regulatory governance requirements and formulated the *Measures for the Administration of Cooperative Institutions of*

China CITIC Bank to comprehensively standardize the supervision and management of third-party cooperative institutions and strengthen risk control at the source. It also carried out systematic governance of "black and gray industries", facilitated the filing of 19 cases with public security authorities and cleaned up or shut down more than 1,300 related accounts, actively safeguarding the legitimate rights and interests of financial consumers. The Bank consolidated the foundation for compliant and lean management. It formulated the *Compliance Management Duty Performance List of China CITIC Bank* to improve the four-tier compliance duty performance mechanism. It conducted, for the first time, a quantitative evaluation and precise profiling for compliance management across tier-one and tier-two branches to improve management of branches in a targeted manner.

2.10.9 Information Technology Risk Management

Information technology risk refers to the operational, legal and reputational risks caused by natural disasters, human factors, technical loopholes and management defects in the application of information technology by commercial banks. Information technology risk management is incorporated into the Bank's comprehensive risk management system and is an important part of comprehensive risk management. With the core concept of "adhering to the bottom line, strengthening awareness, focusing on execution, proactive management and creating value", the Bank is committed to creating an information technology risk culture system covering "all employees, all aspects and full process".

The Bank has established an organizational structure featuring "three lines of defense" for information technology risk consisting of the "one department and three centers" of information technology, Risk Management Department, Compliance Department, Audit Department and other relevant departments. During the reporting period, the Bank continued to improve the information technology risk management system, optimized and improved the mechanism and process for the management of information technology risk, and promoted the early discovery, warning and disposal of information technology risk by strengthening the identification, assessment, monitoring and control of information technology risk. It continuously enhanced its overall capabilities in areas including technology governance, cybersecurity and data security, information system R&D and operation, information technology outsourcing, and business continuity management, so as to ensure the secure, stable and robust operation of its information system.

During the reporting period, the Bank did not have any major information technology risk events, and the information system operated well, with overall information technology risk under control.

2.10.10 Reputational Risk Management

Reputational risk mainly refers to the risk that damages the Bank's brand value, adversely affects its normal operations and even affects market and social stability due to negative opinion of the Bank by stakeholders, the public and the media resulting from the Bank's behavior, employees' behavior, or external events.

During the reporting period, the Bank strictly implemented regulatory requirements on preventing and mitigating financial risks, followed the basic principles of "foresight, commensurability, full coverage and effectiveness" in reputational risk management, adhered to the working philosophy of "prevention first with balanced prevention and control", and rigorously and effectively carried out reputational risk management. The Bank strengthened organizational leadership and continuously enhanced the operational effectiveness of its three-tier reputational risk governance structure comprising the Board of Directors and senior management, Head Office departments, and branches and subsidiaries. The Bank reinforced the reputational risk management mechanism, achieving closed-looped management of reputational risk, namely before, during, and after the event. Reputational risk management was systematically embedded into routine operations. Through enhanced joint prevention and control, accurate analysis, science-based risk control and frontline empowerment, the Bank significantly improved its overall reputational risk management and response capabilities. Meanwhile, it continued to strengthen brand development, advanced systematic brand communication both internally and externally, and enhanced the integrated management efficiency of media communications and online public opinion.

2.10.11 Country Risk Management

Country risk refers to the risk of losses to the business of the Bank in a country or region or other losses of the Bank caused by the inability or refusal of the debtor in the country or region to repay the Bank's debts due to political, economic and social changes and events in that country or region.

During the reporting period, the Bank closely tracked developments in the international landscape, continuously strengthened country risk monitoring and assessment, and conducted regular country risk stress testing. It optimized emergency management mechanisms, promptly updated country risk ratings, reviewed and adjusted country risk limits, and leveraged digital tools to continuously enhance the effectiveness of risk management. As at the end of the reporting period, the Bank's country risk exposure was primarily concentrated in low-risk countries (regions), with overall risk remaining under control. The Bank will continue to monitor the distribution and changes in country risk exposure, actively guide reasonable distribution of business operations, and strictly control operations in higher-risk countries (regions) to effectively mitigate country risk.

2.10.12 Money Laundering Risk Management

Money laundering risk refers to the risk of customer, business or financial loss, or legal sanctions, regulatory punishments, reputation damage, etc., possibly incurred by the Bank for being exploited by money laundering or other illegal and criminal activities or failing to observe the laws, regulations and internal rules on Anti-Money Laundering (AML) during operations and management.

In AML work, under a governance framework featuring the overall coordination of the Board of Directors and senior management, the collaboration of the three lines of defense and fulfillment of respective responsibilities by the Head Office, branches and sub-branches, the Bank strictly complied with the *Law of the People's Republic of China on Anti-Money Laundering*, the *Guidelines for Risk Management Regarding Money Laundering and Terrorist Financing in Corporate Financial Institutions (Trial)*, as well as other laws and regulations regarding AML, and effectively fulfilled its legal obligation of AML.

The Bank attached great importance to AML work and thoroughly practiced the philosophy of risk-based AML management. With the implementation of the newly revised *Anti-Money Laundering Law* as the focus of its work, and taking the Fifth Round Mutual Evaluation by the FATF as an opportunity, it conducted a comprehensive retrospective review and rectification program. Centered on key areas including customer due diligence, product risk tracing, and technology-enabled AML capabilities, the Bank comprehensively strengthened the development of its AML management system and continuously enhanced its AML management.

During the reporting period, the Bank closely tracked external regulatory requirements, refined its AML institutional framework, and revised and issued two systems covering fundamental AML regulations and AML-related training. It conducted regular AML reviews across policies, products, and systems and strengthened risk alerts for potential money laundering activities, supporting the sound development of business operations. The Bank conducted retrospective AML governance throughout the year, reinforced risk screening in key areas by category and promoted rectifications to root causes. It improved customer due diligence mechanisms, advanced look-through mapping of transaction data for key products, and optimized the appropriateness of customer risk management and control. Leveraging new technology and algorithms, it continued to increase and optimize models for monitoring suspicious transactions, upgraded digital AML management platforms, and improved system convenience and intelligence. To strengthen the development of the AML talent team, it established an "integrated business-technology-data taskforce" and adopted multiple measures to enhance the AML management capabilities of overseas institutions and subsidiaries. The Bank organized over 1,600 AML training sessions for directors, senior management members and employees at all levels, and carried out over 1,500 AML campaign activities on regulatory concerns, to effectively fulfill its social responsibility in AML while fostering an AML compliance culture.

2.11 Material Investments, Material Acquisitions, Material Sales of Assets and Equity

2.11.1 Capital Increase in CITIC Financial Leasing and Conversion of Undistributed Profits into Registered Capital

On 20 February 2025, the Bank's Board of Directors reviewed the *Proposal on the Capital Supplement Plan for CITIC Financial Leasing Co., Ltd.*, and approved the conversion of RMB3.0 billion of CITIC Financial Leasing's undistributed profits into its registered capital, and a capital injection of RMB3.0 billion in cash by the Bank. For more information, please refer to the *Announcement on Resolutions of the Meeting of the Board of Directors of China CITIC Bank Corporation Limited* and the *Announcement of China CITIC Bank Corporation Limited on Capital Increase in CITIC Financial Leasing Co., Ltd and Capitalization of its Undistributed Profits*, published on 21 February 2025, on the SSE's website (www.sse.com.cn) and the Bank's official website(www.citicbank.com).

In July 2025, CITIC Financial Leasing, in accordance with the *Reply of the Tianjin Financial Regulatory Bureau on the Change of Registered Capital of CITIC Financial Leasing Co., Ltd.* (Jinjinfu [2025] No. 202), completed the capital increase and related statutory procedures, including the registration of the change in registered capital, and obtained the renewed business license. CITIC Financial Leasing changed its registered capital from RMB4.0 billion to RMB10.0 billion. For detailed information, please refer to the *Announcement of China CITIC Bank Corporation Limited on the Completion of Capital Increase in CITIC Financial Leasing Co., Ltd. and Capitalization of its Undistributed Profits*, disclosed by the Bank on 19 July 2025, on the SSE's website

(www.sse.com.cn) and the Bank's official website (www.citicbank.com). For information on CITIC Financial Leasing's principal business and its profit and loss during the reporting period, please refer to "Subsidiaries and Joint Ventures" of this section.

2.11.2 Investment in and Establishment of Financial Asset Investment Company

In May 2025, the Bank's Board of Directors reviewed the *Proposal on Establishing Financial Asset Investment Company*, and approved the use of the Bank's own funds to establish a wholly owned subsidiary, CITIC Bank Financial Asset Investment Co., Ltd. In the same month, the Bank received the *Reply of the National Financial Regulatory Administration on the Preparation for the Establishment of CITIC Bank Financial Asset Investment Co., Ltd.* (Jinfu [2025] No. 333), approving the preparation for the establishment of CITIC Bank Financial Asset Investment Co., Ltd. by the Bank. In November 2025, the Bank received the *Reply of the National Financial Regulatory Administration on the Opening of CITIC Bank Financial Asset Investment Co., Ltd.* (Jinfu [2025] No. 666), approving the opening of its wholly owned subsidiary, CITIC Bank Financial Asset Investment Co., Ltd., which was incorporated in Guangzhou, Guangdong Province with a registered capital of RMB10 billion. For detailed information, please refer to the announcements disclosed by the Bank on 9 May, 4 June, and 24 November 2025, respectively, on the SSE's website (www.sse.com.cn) and the Bank's official website (www.citicbank.com).

During the reporting period, except for the aforesaid matters and the day-to-day businesses such as transfer of credit assets that were involved in the Bank's normal business operation, the Bank had no other material investments, acquisitions, or sales of assets or equity.

2.12 Outlook

Looking into 2026, the global economy is expected to register moderate growth. Major developed economies may continue to cut interest rates. However, multiple uncertainties and unpredictable factors remain in international financial markets and the geopolitical landscape. Changes in the external environment are exerting deeper impacts, and China faces challenges in its stable domestic growth. Nevertheless, China's economy is characterized by a solid foundation, multiple advantages, strong resilience and significant potential, and the long-term positive supporting conditions and underlying trends remain unchanged. Overall, opportunities outweigh challenges, and favorable factors are stronger than adverse ones. Macroeconomic policies shall continue to safeguard stable economic performance. A more proactive fiscal policy and a moderately accommodative monetary policy shall remain in place. The combined effects of existing and incremental policies, together with intensified counter-cyclical and inter-cyclical adjustments, are expected to create new opportunities for the banking sector's high-quality development.

The year 2026 marks the beginning of the 15th Five-Year Plan. The Bank will consistently implement the "four operation themes" and cost-reduction management requirements. It will prioritize stability and risk control, enhance quality through structural optimization, improve systems through top-level design, and refine cost control for better efficiency. It will foster a steady development pattern characterized by "corporate banking as the main driver, retail banking as a stable contributor, financial markets as a revenue enhancer, and risk control as a value creator". The Bank will fully advance the "Five Priorities" of finance and make every effort to ensure a good start to the 15th Five-Year Plan, writing a new chapter in the high-quality development of China CITIC Bank.

First, the Bank will fully leverage its functions to serve the "Five Priorities" of finance. In technology finance, it will intensify customer base expansion and in-depth engagement with technology enterprises, establish new pathways for "investment-loan linkage", and enhance both the quality and scale of businesses. In green finance, it will adopt a refined and targeted approach to support 7 industries including energy conservation and carbon reduction, green energy transition, environmental protection, and resource recycling, green upgradation and green service as well as key areas such as green commerce and green consumption and build a green finance service system featuring "finance, intelligence and industry" with CITIC characteristics. In ecological rehabilitation and utilization, inclusive finance, it will adhere to a systemic approach and integrated development, continuously upgrading the "Credit +" comprehensive service program. In pension finance, it will coordinate the development of pension finance, elderly care service finance, and elderly care industry finance, and continue to build a "Finance + Industry" ecosystem for elderly care services. In digital finance, it will promote large-scale penetration and systemic transformation of digital and intelligent capabilities to enhance efficiency and optimize customer experience across customer service, business operations, risk control, and product innovation.

Second, the Bank will prioritize structural optimization to continuously strengthen the resilience of business development. The business structure featuring the coordinated development of corporate banking, retail banking, and financial markets as the "three growth engines" will be further consolidated. The asset structure will be aligned with the main direction of economic development and industrial transformation, and major asset allocation will be carried out in a sound manner. The liability structure will be optimized to enhance stability and sustainability, delivering high-quality growth. Moreover, in customer structure, the Bank will spare no effort in expanding the medium and small corporate customer groups and retail payroll business, and advance the expansion, quality improvement and efficiency enhancement of these groups with equal emphasis on scale and quality.

Third, the Bank will prioritize quality control and boost risk management efficiency. It will enhance the application of advanced capital measurement approach, cultivate a business philosophy of "seeking risk-filtered return", build the risk control structure with three lines of defense and integrated coordination across the Head Office, branches, sub-branches, parent bank and subsidiary banks. Focusing on key areas and weak links, it will strictly implement post lending management and accelerate risk disposal through multiple different measures, to ensure that loans are properly issued and well-managed, and risks are effectively mitigated, enhancing the full process risk control capability in credit extension. It will accelerate the digital and intelligent transformation of risk control and build a strong risk control talent team to enhance the Bank's core competitiveness in risk management.

Fourth, the Bank will emphasize strategic guidance and give full play of new growth drivers in value contribution. It will drive substantial breakthroughs in key areas to generate new growth drivers. It will unleash the capacity of the wealth management business, seize structural opportunities in the capital market and dividend insurance, deepen investment research and advisory capabilities, and provide customers with specialized, professional asset allocation solutions, fostering mutual enhancement between wealth management and asset management. It will maintain a leading position in capital markets, while further expanding coverage of listed company customers and extending the service reach. It will focus on the four main lines of investment, agency, asset management, and custody in the investment and trading business, build an ecosystem for interbank customer management, and simultaneously enhance integrated service empowerment for corporate and personal customers. The payment and settlement business will make achievements through profound accumulation, and built flagship products with continuous optimization and integration of settlement tools. In terms of the cross-border financial business, the Bank will continue to consolidate its long-term strengths in foreign exchange, expand the layout of high-quality cross-border assets, and enhance comprehensive services in cross-border scenarios.

According to the analysis based on the external market environment and the Bank's future operation, the Bank is expected to see an asset growth rate of around 5% in 2026. Forward-looking statements, such as future plans and development strategies involved in the above forecasts, do not constitute substantive commitments of the Bank to investors. Investors and related parties should be sufficiently aware of risks in this regard, and understand the differences between plans, forecasts and commitments.

2.13 Information about Structured Entities

For relevant information about structured entities beyond the scope of the Bank's consolidated financial statements, please refer to Note 59 to the financial report of this report.

2.14 Other Information Required to be Disclosed by Regulators

2.14.1 The Implementation of the "Corporate Value and Return Enhancement" Action Plan

In active response to the *Proposal on Launching the Special Action of "Corporate Value and Return Enhancement" for SSE-listed Companies* by the SSE, the Bank formulated its action plan on the basis of its development strategies and operational needs. For details, please refer to the *"Corporate Value and Return Enhancement" Action Plan of China CITIC Bank Corporation Limited* released by the Bank on 28 June 2025. Adhering to the philosophy of respecting and rewarding investors, the Bank earnestly implemented the action plan and worked to build balanced, robust, and sustainably growing operational fundamentals. It ensured investor returns, improved channels for communication with investors, and enhanced investor confidence, striving to become a value bank recognized by investors. The specific implementation of the plan is as follows:

First, serving national strategies and making solid efforts in advancing the "Five Priorities" of finance. In 2025, the Bank focused on the "Five Priorities" of finance, namely technology finance, green finance, inclusive finance, pension finance, and digital finance, and continuously intensified support for major national strategies, key areas, and weak links. In terms of technology finance, the Bank focused on loan allocation and system development, and comprehensively improved service quality and efficiency. The balance of technology loans increased by 14.75% compared with the end of the previous year. In terms of green finance, the Bank was among the first to unveil green demonstration institutions and specialized operating institutions, and launched the "CITIC Carbon Connect" green and low-carbon service platform. The balance of green loans exceeded RMB750.0 billion, while green bond underwriting volume grew by more than 60% year on year. In terms of inclusive finance, the Bank was deeply integrated into the financing coordination mechanism for small and micro-sized enterprises. It innovatively advanced the coordination model that integrates "financing, intelligence, industry, construction and sales" to support a comprehensive service system for rural revitalization, which was selected as a "Model Case of Financial Support for Agriculture" by the Ministry of Agriculture and Rural Affairs. In terms of pension finance, the Bank consolidated its leading position. The enterprise annuities under custody remained among the top joint-stock banks. The number of personal pension account opened increased by more than 34% compared with the end of last year. The Bank obtained over 70 qualifications for the supervision of advance payments collected by elderly care institutions. The loans extended to the elderly care industry increased more than 100%. In terms of digital finance, the Bank delivered a series of tangible and accessible innovations. The balance of loans to the digital economy core sector exceeded RMB240.0 billion.

Second, adhering to the strategic guidance to steadily enhance operational quality. The Bank remained steadfast in building a value bank and ensured that performance delivery and capacity building reinforce each other and advance in parallel, thereby further strengthening the foundation for development. From the perspective of operating results, the Bank achieved growth in key indicators, including operating income, net profit, NPL ratio and provision coverage ratio despite challenges, and maintained sound momentum. From the perspective of operating processes, the Bank thoroughly implemented the "four operation themes" and cost reduction requirements, achieving a balanced across multiple dimensions, including scale, pricing, quality, customer base and efficiency. Specifically, net interest margin was stabilized to consolidate advantages; asset quality remained resilient; fee-based income expanded with notable results; the customer base grew in both scale and quality; and cost reduction measures delivered tangible and effective outcomes. In terms of strategic execution, the development of a "Five Leading" bank produced concrete results, which have been increasingly translated into productivity and serving as a powerful growth engine for the Bank's strategic transformation and development.

Third, improving the corporate governance system to protect investors' rights and interests. In 2025, all shareholders' meetings of the Bank were convened in full compliance with regulations. The Bank adopted a cumulative voting system for proposals on the election of directors and separately tallied the votes of shareholders holding less than 5% of shares for proposals involving significant events, fully safeguarding the legitimate rights of minority shareholders. The Bank continuously strengthened support for directors' duty performance and gave full play to the role of independent directors in "participating in decision-making, exercising oversight and checks and balances, and providing professional advice". Independent directors provided objective and impartial opinions independently on several significant events, including profit distribution, the appointment of accounting firms, related party transactions, and the nomination of directors and senior management members, actively contributing to the Board of Directors' sound decision-making. Furthermore, the Bank thoroughly implemented the requirements of the *Company Law* and other laws and regulations, as well as the latest regulatory policies, and completed the reform of the Board of Supervisors. By optimizing the setup of the Board of Directors' special committees, and improving the corporate governance system with the Bank's Articles of Association at its core, the Bank restructured its corporate governance framework from a dual-board system of "Board of Directors – Board of Supervisors" to a single-board structure under which the Audit Committee under the Board of Directors performs supervisory functions. This reform effectively integrates supervisory resources and further enhances a governance framework characterized by clear delineation of powers and responsibilities and efficient coordination.

Fourth, stabilizing return expectation and enhancing investor confidence. The Bank attaches great importance to the interests of investors. In order to create long-term, stable returns for investors, it has continuously improved its dividend distribution. A cash dividend of RMB21.201 billion (including interim dividend) was proposed for 2025. The dividend payout ratio, representing the proportion of the dividend amount to the consolidated net profit attributable to the Bank's ordinary shareholders, rose to 31.75%. To better reward investors and enhance the timeliness and stability of cash dividends, the Bank has implemented interim dividend distribution for two consecutive years since 2024, further boosting investor return expectations and strengthening capital market confidence in the development of the Bank.

Fifth, effectively conveying CITIC investment stories to comprehensively enhance the quality and efficiency of value transmission. The Bank continuously improved the transparency, effectiveness, and pertinence of its information disclosure, particularly the quality of its financial information disclosure, to facilitate a comprehensive understanding of its operating conditions among all stakeholders. Together with annual reports and sustainability reports, it also released visual summaries such as "Performance at a Glance" and "ESG Report at a Glance" to increase reach and visibility, making the release of the reports more down-to-earth and popular. Meanwhile, the Bank continued to hold its release conferences on the 2024 annual results and the 2025 half-year results via "online video live broadcast + onsite meeting" to expand its audience reach, receiving wide market attention and positive feedback. In addition, by integrating the "bringing in" and "going out" strategies, the Bank seized market opportunities, frequently conducted investor surveys and communication, and participated in capital market forums to fully communicate its investment value to the market.

2.14.2 The Bank's Outstanding Payables to Small and Medium-sized Enterprises

The Bank has disclosed the information on overdue payables to medium and small enterprises on the National Enterprise Credit Information Publicity System. As at the end of the reporting period, the Bank has no overdue payables to medium and small enterprises.

2.14.3 The Bank's Top Five Other Receivables

Unit: RMB million

Receivable Party	Ending Balance	Percentage of Ending Balance of Other Receivables (%)	Nature of Receivables	Aging	Allowances for Impairment Losses
Receivable party A	199	23.70	Advance payment	More than five years	(3)
Receivable party B	48	5.70	Advance payment	Less than one year	(1)
Receivable party C	41	4.85	Deposit	Less than one year	(1)
Receivable party D	38	4.57	Deposit	One to two years	–
Receivable party E	38	4.52	Amount paid on behalf of others	More than five years	(31)
Total	**364**	**43.34**			**(36)**

CHAPTER 3 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

3.1 Overall Profile of Corporate Governance

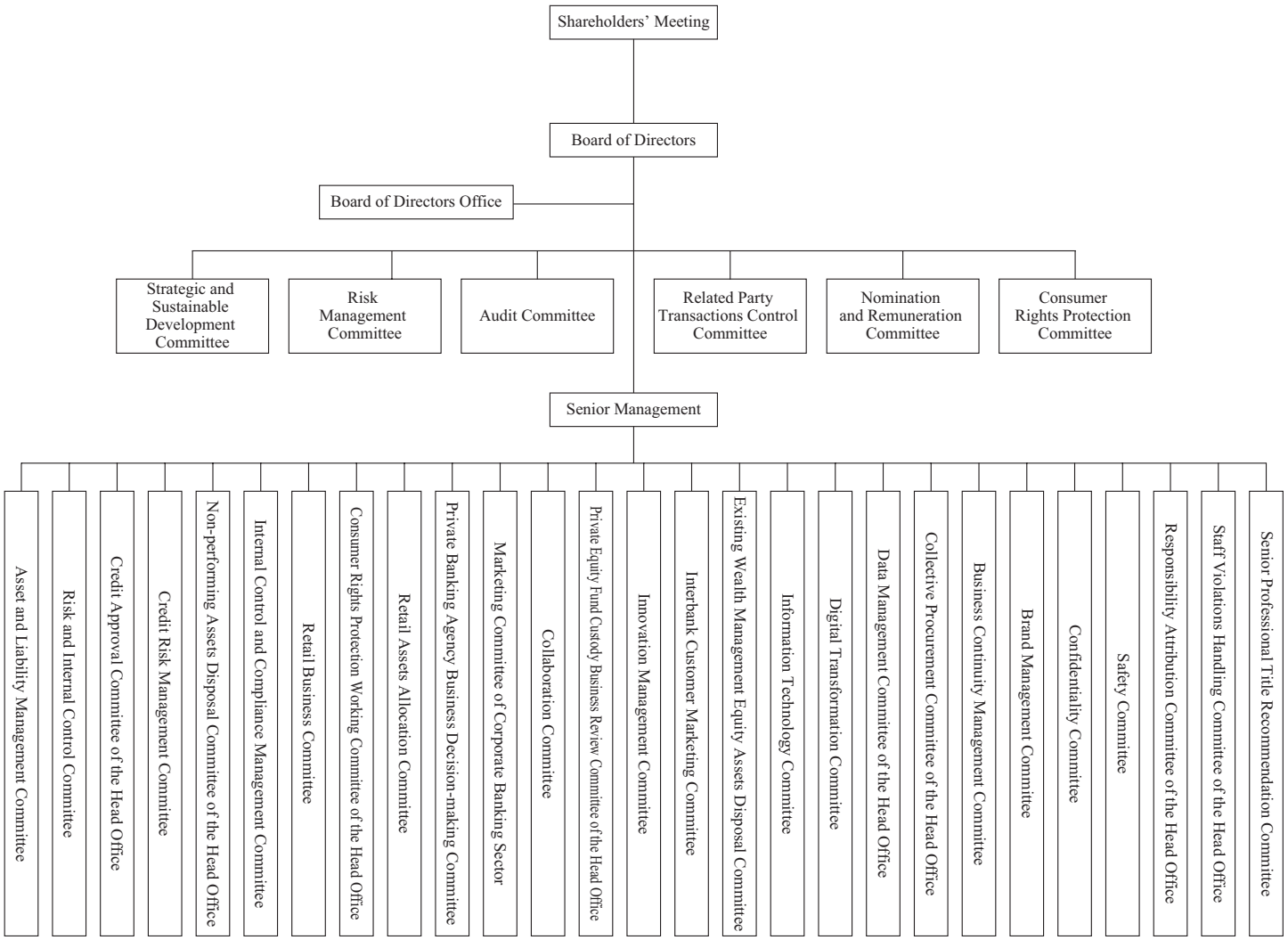
During the reporting period, the Bank adhered to the principle of high-quality development, earnestly implemented the country's decisions and plans as well as regulatory requirements, integrated the Party leadership into all processes and aspects of corporate governance, continuously improved its corporate governance system and mechanism, and accelerated the enhancement of its corporate governance capability, thereby raising its corporate governance efficiency in an all-round manner. The Board of Directors of the Bank and their special committees operated according to rules and performed their functions and responsibilities, thus ensuring the smooth coordination as well as checks and balances between governing bodies. The channels for directors to perform their duties were further broadened, the ways in which they performed their duties were further improved, and their capabilities of performing duties were further enhanced. Furthermore, the Bank attached great importance to and gave full play to the supervision and checks and balances of independent directors and fully safeguarded their right to know and other legal rights.

The Board of Directors of the Bank continued to strengthen its self-improvement, voluntarily accepted the supervision of the Board of Supervisors (following the dissolution of the Board of Supervisors, the relevant statutory duties have been performed by the Audit Committee of the Board of Directors) and other parties, and leveraged its role in strategic guidance to fully support the development of the real economy and reinforce the duty performance regarding risk prevention. In close alignment with national strategic orientation, it focused on the Five Priorities of technology finance, green finance, inclusive finance, pension finance, and digital finance to continuously deepen reform and innovation. It further intensified financial support for major national strategies, key areas and weak links, and delivered high-quality financial services to promote the development of the real economy. The Board of Directors further improved its full-process strategic management system. It focused on value creation, deepened value operation, and strengthened value communication, executing and implementing strategic objectives in a solid and orderly manner. It strove to develop a "Five Leading" bank, and actively promoted the light-capital transformation and development and the comprehensive upgrading of financial technology empowerment, thereby making the business structure more coordinated and stable. Confronted with the complicated external environment, the Board of Directors upheld the concept of prudent risk management, kept improving the comprehensive risk management system, and continuously enhanced internal control and compliance management.

During the reporting period, the Bank organized directors and the Board secretary to attend training on anti-money laundering, anti-fraud, etc., organized by external organizations such as the CSRC Beijing Bureau and the SSE. They also attended special training programs on regulatory policies and key supervisory priorities for listed companies, corporate governance and directors' performance of duties, evolving legal liabilities of independent directors under the new regulatory landscape, investor relations management, market value management, information disclosure, ESG and sustainable development, and the application of AI technologies. During the reporting period, the above-mentioned personnel attended training on 31 person-times and conducted surveys on 9 person-times, further improving their professional duty performance and science-based decision-making capability.

The Bank carefully checked the special self-inspection list of corporate governance and completed the rectification of problems identified in the previous year's special self-inspection. During the reporting period, there was no significant difference between the set-up and operation of the Bank's corporate governance bodies and requirements for corporate governance of listed companies set forth in laws and administrative provisions and of the CSRC, and there were no major corporate governance issues that the regulatory authorities requested to resolve but remained unresolved.

3.1.1 Corporate Governance Structure



3.1.2 Explanations on Independence from the Controlling Shareholder and De Facto Controller

The controlling shareholder and de facto controller of the Bank conduct a series of measures in accordance with the relevant regulatory requirements to ensure that the Bank maintains its independence in terms of assets, personnel, finance, institution and business.

In terms of assets, the Bank has the ownership of or right to use land, properties, trademarks, domain names and other intellectual property relating to its business operations, and none of its controlling shareholder and de facto controller or their related parties occupied or controlled the Bank's assets.

In terms of personnel, no senior management member of the Bank held any administrative position in the Bank's controlling shareholder.

In terms of finance, the Bank, with an independent finance and accounting department, established an independent finance and accounting system as well as financial management policies, makes independent financial decisions, sets up independent accounts in accordance with laws, and does not share accounts with controlling shareholder and de facto controller. Its controlling shareholder and de facto controller follow the same procedures and lawful requirements for opening accounts with the Bank as those for third parties, and their accounts are independent from the Bank's funds and accounts.

In terms of institutional set-up, the Bank has established the shareholders' meeting, the Board of Directors and the Board of Supervisors[56], and set up business departments and management departments based on its own needs in operations and management. The Bank independently exercises the functions and powers of operation and management, and has no mixed organization with its controlling shareholder or de facto controller.

In terms of business, the Bank has a complete business system and the ability of independent operation to directly deal with the market, and independently engages in businesses within the approved business scope, without interference or control by its controlling shareholder or de facto controller. The completeness or independence of the Bank's operational autonomy is not adversely affected by the related relationship with its controlling shareholder or de facto controller. During the reporting period, the financial leasing business of Huarong Financial Leasing, controlled by CITIC Group, the Bank's de facto controller, overlapped with that of CITIC Financial Leasing to a certain extent, a wholly-owned subsidiary of the Bank. In order to protect the legitimate rights and interests of the Bank and its minority shareholders and eliminate and avoid horizontal competition with the Bank and its subsidiaries, CITIC Group issued the *Letter of Commitment on Avoiding Horizontal Competition*. Please refer to Chapter 4 "Undertakings by the Company and Its Relevant Stakeholders " of this report and the *Announcement of China CITIC Bank Corporation Limited on Acquisition of Equity Interest and Issuance of Letter of Commitment on Avoiding Horizontal Competition by De Facto Controller* published by the Bank on the official websites of the SSE (www.sse.com.cn), HKEXnews (www.hkexnews.hk) and the Bank (www.citicbank.com) on 29 May 2024. To implement the *Letter of Commitment on Avoiding Horizontal Competition* and resolve the issue of horizontal competition, the Bank convened the 15th meeting of the 7th Session of the Board of Directors on 27 August 2025. At the meeting, the Board of Directors approved the *Proposal on Matters Related to the Authorized Management of Huarong Financial Leasing*, agreeing that CITIC Group shall enter into the *Authorized Management Agreement* with the Bank. The Bank shall manage 7,538,222,567 shares of Huarong Financial Leasing (hereinafter referred to as the "Target Equity") held by CITIC Group under its authorization for a term of three years from the effective date, with an annual management fee of RMB5 million. For more relevant information, please refer to the *Announcement on the Resolutions Reached at the Meeting of the Board of Directors of China CITIC Bank Corporation Limited* and *Announcement on Signing the Authorized Management Agreement and Related-Party Transactions of China CITIC Bank Corporation Limited*, published by the Bank on 28 August 2025 on the official websites of the SSE (www.sse.com.cn) and the Bank (www.citicbank.com). Save as disclosed above, during the reporting period, the controlling shareholder, the de facto controller of the Bank and other entities controlled by them did not engage in the same or similar business as that of the Bank.

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[56] According to relevant resolutions of the Bank's shareholders' meeting and Board of Directors' meeting, upon approval from regulatory authorities, starting from 16 December 2025, the Bank no longer has the Board of Supervisors. The Audit Committee of the Board of Directors shall exercise the functions and powers of the Board of Supervisors as stipulated under the *Company Law of the People's Republic of China* and relevant regulatory provisions.

3.1.3 Profit and Dividend Distribution of Ordinary Shares

To give investors reasonable returns on investment and develop a stable expectation of investment returns, relevant provisions of the Bank's Articles of Association specify dividend policy of the Bank regarding the basis, principles, intervals, methods and conditions of profit distribution for ordinary shares, highlight cash distribution as the Bank's preferred distribution method, require that the minimum cash distribution proportion for ordinary shareholders should be no less than 10% of the net profit attributable to equity holders of the Bank except for special circumstances and that the amendment of profit distribution policy shall only be valid after being brought in writing by proposal by the Board of Directors, reviewed and approved by the independent directors, as well as approved by special resolution in the shareholders' meeting whilst shareholders are offered an online voting platform for participation in voting for the proposals on distribution plans. With compliant and transparent procedures as well as a comprehensive decision-making process, the profit distribution policy of the Bank states definite criteria and proportions for profit distribution, which fully protects legitimate rights and interests of its small and medium investors and meets the provisions set forth in the Bank's Articles of Association.

The Bank has not distributed profit through the transfer of capital reserve to share capital since its IPO. Cash dividend distribution of ordinary shares of the Bank in the past three years and the dividends of 2025 is set out in the table below.

Year for which dividends were distributed	Cash dividends every ten shares (RMB yuan, pre-tax)	Total amount of cash dividends (RMB million, pre-tax)	Proportion in net profit attributable to ordinary shareholders of the Bank
2022	3.290	16,110	28.11%
2023	3.261	17,432	28.01%
2024[57]	3.547	19,455	30.50%
2025[58]	3.810	21,201	31.75%

3.1.3.1 Interim Profit Distribution for 2025

For the interim profit distribution plan for 2025 reviewed and approved by the Board of Directors and the Board of Supervisors of the Bank, the independent non-executive directors of the Bank fully played their due responsibilities and functions and expressed an affirmative opinion. The plan was approved by the third extraordinary general meeting of 2025 of the Bank held on 30 October 2025. The Bank's interim profit distribution plan for 2025 was approved by 99.99% of the votes of the A shareholders holding less than 5% of the shares at the shareholders' general meeting; therefore, the small and medium investors had the opportunity to fully express their views and aspirations, which effectively protected the legitimate rights and interests of the small and medium investors. The procedures for formulating the Bank's interim profit distribution plan for 2025 were in compliance with the provisions of the Bank's Articles of Association. The dividend distribution criteria and ratios were clear and the decision-making procedures and mechanisms were complete.

[57] Including the 2024 interim cash dividends for ordinary shareholders which have been distributed.
[58] Including the 2025 interim cash dividends for ordinary shareholders which have been distributed.

Pursuant to the 2025 *Interim Profit Distribution Plan of China CITIC Bank Corporation Limited* approved at the shareholders' general meeting, the Bank paid 2025 interim dividends of ordinary shares in cash on 21 November 2025 to A shareholders on the register as at 20 November 2025, and on 29 December 2025 to H shareholders on the register as at 10 November 2025, respectively. The cash dividend was RMB1.88 (tax-inclusive) per 10 shares, with a total amount of RMB10.461 billion for cash dividends for ordinary shares. The aforesaid distribution plan has been fully implemented.

The 2025 interim profit distribution plan of the Bank was explained in detail in the 2025 interim report, documents of the third extraordinary general meeting of 2025, the H-share circular of the third extraordinary general meeting of 2025, the announcement on the implementation of interim dividend distribution of A ordinary shares for 2025, and the announcement on poll results of the third extraordinary general meeting of 2025. For details, please refer to the relevant announcements published on the official websites of the SSE (www.sse.com.cn), HKEXnews (www.hkexnews.hk) and the Bank (www.citicbank.com).

3.1.3.2 Profit Distribution for 2025

After-tax profit as shown in the Bank's 2025 audited financial statements prepared in accordance with the PRC Accounting Standards and IFRS Accounting Standards was RMB64.701 billion.

The Bank appropriated 10% of its after-tax profit as shown on the financial statements prepared in accordance with the PRC Accounting Standards to the statutory surplus reserve, with the accrual thereof recording RMB6.470 billion, and appropriated 1.5% of the balance of risk assets as at the end of the reporting period, namely RMB8.005 billion to general reserve.

In comprehensive consideration of factors such as financial and capital position, the Bank plans to pay 2025 final cash dividends to all ordinary shareholders. Based on the total number of shares as at the register date, the final cash dividends for holders of A shares and H shares on the register on the register date shall be RMB1.93 per 10 shares (tax inclusive, the same below). With reference to the total of 55.645 billion A shares and H shares on the register as at 31 December 2025 of the Bank, the total amount of the final cash dividends of the year 2025 for ordinary shareholders shall be RMB10.740 billion, together with the paid out interim cash dividend of RMB10.461 billion (RMB1.88 per 10 shares), amounting to RMB21.201 billion (RMB3.81 per 10 shares) of cash dividends in the whole year, which accounts for 31.75% of the consolidated net profit attributable to ordinary shareholders of the Bank and 30.02% of the consolidated net profit attributable to shareholders of the Bank of the year 2025.

The cash dividends shall be denominated and declared in Renminbi, and shall be paid to A shareholders in Renminbi and to H shareholders in Renminbi or its equivalent in Hong Kong dollars. When paid in Hong Kong dollars, the dividends shall be calculated in accordance with the average benchmark exchange rate of Renminbi to Hong Kong dollars as released by the PBOC one week preceding the convening of shareholders' meeting (inclusive of the date of the shareholders meeting). The Bank shall maintain the total amount of dividends unchanged and adjust the dividends per share when there is a change in the Bank's total shares before the register date. The Bank will disclose in relevant announcements when there is such a change. No scheme for the transfer of capital reserve to share capital will be applied for the current year. Retained undistributed profit after dividend payment shall be carried forward to the next financial year and continue to be used to replenish the Bank's capital so as to maintain a reasonable capital adequacy ratio. The Bank recorded a 9.39% return on

weighted average equity attributable to its ordinary shareholders in 2025 and is expected to maintain a certain level of return and contribution in 2026.

This final profit distribution plan for ordinary shares for 2025 (hereinafter referred to as "the Plan") complies with relevant provisions of the Bank's Articles of Association, with explicit and clear dividend criteria and distribution ratios. After sufficient discussion and consideration at the meeting of the Strategic and Sustainable Development Committee under the Board of Directors of the Bank, the Plan was submitted for deliberation at the meeting of the Board of Directors convened on 20 March 2026 and approved thereafter. It will then be submitted to the shareholders' meeting for approval. It is expected that the Bank will pay the 2025 final dividends to its ordinary shareholders within two months after adoption of the Plan by the shareholders' meeting. Relevant decision-making procedures and mechanisms of the Plan are complete. The Bank proposed to pay the 2025 final dividends to H shareholders on 6 July 2026. Should there be any change thereof, the Bank will publish a separate announcement for disclosure. The record date and specific method of dividend payment to A shareholders will be announced separately by the Bank.

The Bank's independent non-executive directors have performed their due responsibilities in the decision-making process of the Plan and expressed their independent opinion on the Plan as follows: The Bank's profit distribution plan for 2025 is in compliance with relevant rules and requirements on annual profit distribution in laws, regulations and normative documents, consistent with the reality of China CITIC Bank and the need to safeguard its long-term healthy development and has taken the overall interests of both China CITIC Bank and its shareholders, especially minority shareholders into consideration. We hereby endorse the Plan and agree to have the Plan submitted to the shareholders' meeting of China CITIC Bank for approval.

When the Plan is submitted to the shareholders' meeting for approval, the Bank will, as required by relevant regulatory requirements, offer investors online voting facilities and disclose voting results in accordance with the shareholding percentages of the voting A shareholders. The shareholding percentages are placed in the three ranges of below 1%, 1-5%, and above 5%. The shareholders with less than 1% shareholding will be further classified into the two categories of above and below RMB500,000 market value of shareholdings of each shareholder, and their voting results shall be further disclosed accordingly. Small and medium investors have opportunities to fully express their opinions and appeals, and the compilation and implementation of the Plan fully protects their legitimate rights and interests.

For details of the final profit distribution plan for ordinary shares for 2025 of the Bank, please refer to the relevant announcement published by the Bank on the official websites of the SSE (www.sse. com.cn), HKEXnews (www.hkexnews.hk) and the Bank (www.citicbank.com) on the disclosure date of this report.

3.1.4 Shareholders' Meeting

3.1.4.1 Shareholders' Meeting and Shareholders' Rights

Responsibilities of the shareholders' meeting

The shareholders' meeting is the Bank's organ of power. According to the Bank's Articles of Association, it is responsible for electing and replacing directors and deciding on the remunerations of directors; deliberating on and approving work reports of the Board of Directors; deliberating on and approving the Bank's annual financial budget plans, final accounts plans, profit distribution plans and loss remedy plans; deliberating on and approving the change of use of raised proceeds; resolving on the Bank's plan for injection or reduction of registered capital; resolving on the Bank's plans for merger, division, splitting, dissolution, liquidation or change in corporate status of the Bank, resolving on the issue of bonds or other securities as well as the listing thereof; resolving on the purchase of the Bank's ordinary shares according to laws and regulations; amending the Bank's Articles of Association; engaging and dismissing accounting firms for regular mandatory audit of the Bank's financial statements and deciding on their remunerations or the ways to determine their remunerations; deliberating on proposals put forward by shareholders who individually or collectively hold more than 1% of the voting shares of the Bank; deliberating on matters involving major investments, purchase or disposal of major assets within one year that exceed 10% of the audited net asset value of the Bank for the latest reporting period; deciding on or authorizing the Board of Directors to decide on matters relating to the issued preference shares of the Bank, including but not limited to determining whether to repurchase, convert preference shares or pay dividends; deliberating on related party transactions that shall be reviewed and approved by the shareholders' meeting pursuant to relevant laws, administrative regulations, ministerial rules and the securities regulatory rules of the places where the Bank's shares are listed; removal of independent directors from office; deliberating on and approving the Rules of Procedure for the Shareholders' Meeting and the Rules of Procedure for the Board of Directors; and deliberating on other matters that shall be decided by the shareholders' meeting in accordance with relevant laws, administrative regulations, ministerial rules, requirements of the securities regulators at the places where the Bank's shares are listed and relevant provisions of the Bank's Articles of Association.

Annual shareholders' meeting

The annual shareholders' meeting of the Bank provides an effective communication platform between the shareholders and the Board of Directors. For the convening of an annual shareholders' meeting, the Bank shall issue a written notice 20 days prior to the date of the meeting, informing all shareholders on record who are entitled to attend the meeting of the matters to be approved, as well as the date and venue of the meeting. Where the shareholders' meeting requires directors or senior management members to attend the meeting as non-voting delegates, such directors or senior management members shall be present at the meeting and respond to shareholders' inquiries. Domestic and overseas auditors engaged by the Bank shall also attend the annual shareholders' meeting as non-voting delegates and answer questions in relation to external audit, audit reports and their contents, accounting policies and independence of auditors, etc.

Extraordinary shareholders' meeting

In accordance with the Bank's Articles of Association, extraordinary shareholders' meetings may be convened when proposed by more than 50% and at least two of the independent directors, the Board of Directors or its Audit Committee, or upon written request of shareholders that individually or collectively hold more than 10% of the Bank's voting shares (including preference shareholders with restored voting rights; actual numbers of shares shall be calculated as per the shareholdings of the requesting shareholders on the date when such a written request is made). To convene an extraordinary shareholders' meeting, a written notice shall be given 15 days prior to the date of the meeting to notify all registered shareholders who are entitled to attend the meeting of the matters to be considered and the date and venue of the meeting.

Submitting proposals to the shareholders' meeting

When the Bank convenes a shareholders' meeting, the Board of Directors, the Audit Committee and shareholders (including preference shareholders with restored voting rights) that individually or collectively hold more than 1% of the Bank's shares have the right to submit proposals to the Bank. The content of proposals shall be within the scope of authority of the shareholders' meeting, shall have a clear subject and specific matters to be resolved, and shall comply with relevant provisions of the laws, administrative regulations and the Bank's Articles of Association. Shareholders (including preference shareholders with restored voting rights) that individually or collectively hold more than 1% of the Bank's shares may produce their ad hoc proposals and submit them in writing to the convener of the shareholders' meeting ten days prior to the date of the meeting. Within two days after the receipt of such proposals, the convener shall issue supplementary notices for the shareholders' meeting to announce the contents of the ad hoc proposals and submit such proposals to the shareholders' meeting for deliberation.

Convening of extraordinary meetings of the Board of Directors

Extraordinary meetings of the Board of Directors may be convened when deemed necessary by the Chairman, proposed by shareholders that represent more than 10% of the voting rights, more than one third of directors, more than two independent directors, the Audit Committee, or, under urgent circumstances, by the President. The Chairman of the Board of Directors shall convene and preside over an extraordinary meeting of the Board of Directors within ten days.

Making inquiries to the Board of Directors

Shareholders have the right to supervise and manage the business operations of the Bank, and put forward suggestions or inquiries. Shareholders are entitled to inspect the Bank's Articles of Association, share register, share capital and minutes of shareholders' meetings. To make inquiries to the Board of Directors, shareholders may contact the Board of Directors or the Bank via email to ir@citicbank.com or via other contacts as provided on the Bank's website. The Bank has published all of its announcements, press releases and useful company information on its website to improve its information transparency.

3.1.4.2 *Convening of Shareholders' Meetings*

During the reporting period, the Bank convened three extraordinary general meetings, one annual general meeting, three A shareholders class meetings and three H shareholders class meetings, where 27 proposals were adopted after deliberation. These meetings were all convened in compliance with the procedures specified in the Bank's Articles of Association. Relevant resolutions of the shareholders' general meetings and class meetings were disclosed by the Bank on the official websites of the SSE (www.sse.com.cn), HKEXnews (www.hkexnews.hk) and the Bank (www.citicbank.com).

On 25 March 2025, the Bank held the first extraordinary general meeting of 2025, the first A shareholders class meeting of 2025 and the first H shareholders class meeting of 2025 in Beijing. Chairman of the Bank, Mr. Fang Heying presided over the meetings. Some other directors, some supervisors and the board secretary attended the extraordinary general meeting, A shareholders class meeting and H shareholders class meeting, and some senior management members were present at the meetings as non-voting attendees. The extraordinary general meeting reviewed and approved three proposals regarding the extension of the authorization period to the Board of Directors and its authorized person(s) to deal with relevant matters in relation to the Rights Issue, the election of Mr. Lu Wei as executive director of the 7th Session of the Board of Directors, and the election of Mr. Fu Yamin as non-executive director of the 7th Session of the Board of Directors. Among these, the proposal regarding the extension of the authorization period to the Board of Directors and its authorized person(s) to deal with relevant matters in relation to the Rights Issue was also reviewed and approved at the first A shareholders class meeting of 2025 and the first H shareholders class meeting of 2025.

On 20 June 2025, the Bank held the annual general meeting of 2024, the second A shareholders class meeting of 2025 and the second H shareholders class meeting of 2025 in Beijing. Chairman of the Bank, Mr. Fang Heying presided over the meetings. Some other directors, some supervisors and the board secretary attended the annual general meeting, A shareholders class meeting and H shareholders class meeting, and some senior management members were present at the meetings as non-voting attendees. The annual general meeting reviewed and adopted nine proposals regarding the 2024 annual report, 2024 annual final accounts report, profit distribution plan for 2024, 2025 fixed asset investment budget plan, no need to prepare a report on the use of proceeds from the previous issuance, extension of the effective period of the resolutions in relation to the Rights Issue, engagement of accounting firms and their fees for 2025, report of the Board of Directors for 2024, and report of the Board of Supervisors for 2024. Among these, the proposal on extension of the effective period of the resolutions in relation to the Rights Issue was also reviewed and approved at the second A shareholders class meeting of 2025 and the second H shareholders class meeting of 2025.

On 26 August 2025, the Bank held the second extraordinary general meeting of 2025, the third A shareholders class meeting of 2025 and the third H shareholders class meeting of 2025 in Beijing. Chairman of the Bank, Mr. Fang Heying presided over the meetings. All other directors, some supervisors and the board secretary attended the extraordinary general meeting, A shareholders class meeting and H shareholders class meeting, and some senior management members were present at the meetings as non-voting attendees. The extraordinary general meeting reviewed and adopted six proposals regarding the election of Mr. Wei Qiang as non-executive director of the 7th Session of the Board of Directors, application for caps of daily related party transactions, adjustments to the remuneration policy for directors of the 7th Session of the Board of Directors, dissolution of the Board of Supervisors, changes to the registered capital and corresponding amendments to relevant provisions of the *Articles of Association*, and revisions to the *Articles of Association*, the *Rules of Procedure for the Shareholders' General Meeting*, and the *Rules of Procedure for the Board of Directors*. Among these, changes to the registered capital and corresponding amendments to relevant provisions of the *Articles of Association*, and revisions to the *Articles of Association* and the *Rules of Procedure for the Shareholders' General Meeting* were separately reviewed and approved at the third A shareholders class meeting of 2025 and the third H shareholders class meeting of 2025, respectively.

On 30 October 2025, the Bank held the third extraordinary general meeting of 2025 in Beijing. Chairman of the Bank, Mr. Fang Heying presided over the meetings. Some other directors, some supervisors and the board secretary attended the meeting, and some senior management members were present at the meeting as non-voting attendees. The extraordinary general meeting reviewed and adopted the proposal regarding the interim profit distribution plan for 2025 of the Bank.

3.1.5 Board of Directors

3.1.5.1 Responsibilities and Members of the Board of Directors

The Board of Directors is the decision-making body of the Bank. As at the disclosure date of this report, the 7th Session of the Board of Directors comprised nine members, of which more than one third of the total are independent directors. As per the Bank's Articles of Association, the principal responsibilities of the Board of Directors include the following: to convene the shareholders' meeting and produce work reports to the shareholders' meeting; to implement the resolutions adopted by the shareholders' meeting; to determine the development strategies, business plans and investment proposals of the Bank, and supervise the strategy implementation; to prepare the annual financial budget and final accounts of the Bank; to prepare the profit distribution plans and loss remedy plans of the Bank; to determine the plans for major investment, major assets acquisition, disposal and write-off, asset mortgage, data governance, external donations and other major matters of the Bank in accordance with laws, regulations, supervisory provisions and the Bank's Articles of Association or within the scope of authorization of the shareholders' meeting; to formulate plans for the issuance of bonds or other securities and the listing; to develop the Bank's capital planning and assume ultimate responsibilities for capital management; to prepare proposals for the amendments to the Bank's Articles of Association; to determine the appointment or dismissal of the President of the Bank and the board secretary and to determine matters relating to their remunerations, awards and punishments; considering the nomination by the President, to determine the appointment or dismissal of the Vice Presidents of the Head Office as well as Business Directors and other senior management members who shall be appointed by the Board of Directors according to regulatory requirements,

to determine matters relating to their remunerations, awards and punishments, and to supervise the duty performance by the senior management; to review and establish the basic management rules and internal management structure of the Bank; to request the shareholders' meeting to appoint or dismiss the accounting firms for the regular mandatory audit of the Bank's financial statements, etc. The Board of Directors should listen to the opinions of the Bank's Party Committee prior to making decisions on major issues of the Bank.

The Bank has established a comprehensive and standardized policy system and operation mechanism to ensure the independent and standardized operation of the Board of Directors and timely and complete access to independent opinions and comments. Specifically, the standards and procedures for nomination and election of directors are specified in the Bank's Articles of Association and the rules of procedure for special committees of the Board of Directors; directors who have material interests in the matters to be discussed by the Board of Directors shall abstain from voting; the Board of Directors, special committees under the Board of Directors and independent directors shall give full consideration to the opinions of external auditors; independent directors may independently engage intermediaries to audit, consult or review specific matters of the Bank, and reasonable expenses incurred shall be borne by the Bank. It was verified that relevant mechanisms were effectively implemented during the reporting period. In the meantime, the Bank specifies the form, content and procedures of information reporting by the senior management or relevant departments to the Board of Directors and its special committees in the information reporting policies, to ensure that the Board of Directors and its special committees can timely and accurately obtain various operational information and make science-based and independent judgments and decisions.

The Board of Directors of the Bank has completed self-assessment of the effectiveness of the design and operation of its internal control. Please refer to "Internal Control Assessment" in this chapter for details.

3.1.5.1.1 Members of the Board of Directors

Members of the Board of Directors of the Bank as of the disclosure date of this report are listed as follows:

Name	Position	Gender	Date of birth	Term of office	Year-beginning shareholding	Year-end shareholding	Pre-tax payable remuneration earned from the Bank during the reporting period (RMB10 thousand)	Whether receiving remuneration from the Bank's related party (parties)
Fang Heying	Chairman	Male	Jun. 1966	Aug. 2023-Jun. 2027	1,000,000	1,000,000	—	Yes
	Executive Director			Sep. 2018-Jun. 2027				
Wei Qiang	Non-executive Director	Male	Oct. 1974	Nov. 2025-Jun. 2027	0	0	—	Yes
Hu Gang	Executive Director	Male	Mar. 1967	Oct. 2024-Jun. 2027	1,627,000	1,627,000	225.51	No
	Vice President			Since May 2017				
Wang Yankang	Non-executive Director	Male	Mar. 1971	Apr. 2021-Jun. 2027	0	0	—	Yes
Fu Yamin	Non-executive Director	Male	Feb. 1979	Aug. 2025- Jun. 2027	0	0	—	Yes
Liu Tsz Bun Bennett	Independent Non-executive Director	Male	Dec. 1962	Jun. 2022-Jun. 2027	0	0	31.00	No
Zhou Bowen	Independent Non-executive Director	Male	Oct. 1976	Aug. 2023-Jun. 2027	0	0	27.00	No
Wang Huacheng	Independent Non-executive Director	Male	Jan. 1963	Oct. 2023-Jun. 2027	0	0	30.00	No
Song Fangxiu	Independent Non-executive Director	Female	Apr. 1976	Oct. 2023-Jun. 2027	0	0	28.00	No
Non-incumbent members								
Cao Guoqiang	Non-executive Director	Male	Dec. 1964	Sep. 2018-Apr. 2025	0	0	—	Yes
Liu Cheng	Executive Director	Male	Dec. 1967	Mar. 2022-Feb. 2025	624,000	468,000	22.78	No
	President			Jan. 2022-Feb. 2025				
Lu Wei	Executive Director	Male	Oct. 1971	Jun. 2025-Dec. 2025	0	0	226.96	No
	President			Apr. 2025-Dec. 2025				
Huang Fang	Non-executive Director	Female	May 1973	Nov. 2016-Aug. 2025	0	0	—	Yes

Notes: (1) The commencement of the terms of office of the re-elected directors listed above is the time of their respective initial appointment.

(2) The final remunerations of the directors who receive remunerations from the Bank are still undergoing confirmation, and the remaining amounts will be disclosed upon completion of the confirmation process.

(3) The non-executive directors (excluding independent non-executive directors) receive no remuneration for directors from the Bank.

(4) The shares of the Bank held by the directors and senior management members set out in above table are all ordinary H shares. Changes in their shareholdings during the reporting period were attributable to trading on secondary market. Incumbent directors and directors leaving office during the reporting period neither held relevant share options nor were granted restricted shares.

The Board of Directors developed the *Policy on Diversity of Board Members*, and the Bank is of the view that the diversity of the Board members helps improve the operational quality of the Bank and is the key factor for the Bank to achieve its strategic objectives, maintain its competitive advantages and realize sustainable development. In designing the composition of its Board of Directors, the Bank considers the diversity of Board members from various aspects, including but not limited to talent, skills, expertise, industry and professional experience, cultural and educational background, gender,

age and race. The Nomination and Remuneration Committee of the Board of Directors supervises the implementation of the *Policy on Diversity of Board Members* every year. As at the disclosure date of this report, the current session of the Board of Directors consists of nine members, including two executive directors, three non-executive directors and four independent non-executive directors, covering different genders, ages, cultural and educational backgrounds and professional experiences. One of the directors was female, accounting for 11% of the total. The composition of the Board of Directors meets the diversity requirements. The Bank's current director nomination policy and the *Policy on Diversity of Board Members* help ensure the availability of potential successors for the Board of Directors, so as to preserve the Board's existing gender diversity. In the future, the Bank will fully consider the composition of director candidates in the selection of directors in accordance with the relevant policy requirements on Board diversity to further enhance the diversity of Board members.

As at the end of the reporting period, none of the incumbent directors or directors who resigned during the reporting period was subject to penalties imposed by the securities regulatory authorities in the past three years.

3.1.5.1.2 Positions Held by Directors at Shareholders

Name	Shareholder	Position	Term of office
Fang Heying	CITIC Group	Party Committee Member	Since Nov. 2020
		Deputy General Manager	Since Dec. 2020
	CITIC Limited	Deputy General Manager	Since Dec. 2020
		Member of the Executive Committee	
	CITIC Corporation Limited	Deputy General Manager	Since Dec. 2020
Wei Qiang	CITIC Group	Employee Representative Director	Since Jun. 2024
		General Manager of the Human Resources Department	Since Aug. 2023
		Minister of the Party Committee Organization Department	
	CITIC Limited	Director of Human Resources	Since Oct. 2025
		General Manager of the Human Resources Department	Since Aug. 2023
	CITIC Corporation Limited	Employee Representative Director	Since Aug. 2025
Fu Yamin	Quzhou Development	Chairman	Since Jul. 2024

3.1.5.1.3 Positions Held by Directors at Entities Other Than Shareholders

Name	Name of Entity	Position
Wei Qiang	CITIC Trust Co., Ltd.	Director
Hu Gang	CNCBI	Director
Wang Yankang	Shanghai Tobacco Group Co., Ltd.	Director
	China Tobacco Jiangsu Industrial Co., Ltd.	Director
	China Tobacco Anhui Industrial Co., Ltd.	Director
	China Tobacco Fujian Industrial Co., Ltd.	Director
Fu Yamin	Quzhou Urban Development Holding Group Co., Ltd.	Vice Chairman, General Manager
	Quzhou Industrial Holding Group Co., Ltd.	Director, Deputy General Manager
Liu Tsz Bun Bennett	The Hong Kong Business Accountants Association	Honorary Consultant
	Shenzhen WeBank Co., Ltd.	Independent Director
	Ping An Life Insurance Company of China, Ltd.	Independent Director
	China Vanke Co., Ltd.	Independent Director
	China Petroleum & Chemical Corporation	Independent Director
Zhou Bowen	Tsinghua University	Long-tenured Professor, Department of Electronic Engineering
		Professor of Huiyan Symposium
	Shanghai Artificial Intelligence Laboratory	Director, Chief Scientist
Wang Huacheng	Wanhua Chemical Group Co., Ltd.	Independent Director
	Beijing Capital International Airport Co., Ltd.	Independent Director
Song Fangxiu	Peking University	Deputy Secretary of the Party Committee at the School of Economics
		Professor at the Department of Finance
		PhD Supervisor
		Director of the China Center for Financial and Investment Research
	China Silver Group Limited	Independent Director

Mr. Fang Heying Chinese Nationality

Secretary of the Party committee, Chairman and executive director of the Bank, currently performing the duties of the President on an acting basis. Mr. Fang currently serves as a Party committee member and Deputy General Manager of CITIC Group Corporation, Deputy General Manager and member of the executive committee of CITIC Limited, and Deputy General Manager of CITIC Corporation Limited. He previously served as secretary of the Party committee and president of the Bank's Suzhou Branch and Hangzhou Branch, head of the financial markets business, Party committee member, Vice President, Chief Financial Officer, deputy secretary of the Party committee, President, and Vice Chairman of the Bank, director of CITIC International Financial Holdings Limited, and director of CITIC Bank International Limited. Prior to that, he worked at Zhejiang Banking School and the Experimental Urban Credit Cooperative of Zhejiang Banking School. Mr. Fang graduated from Peking University with a master's degree in business administration for senior executives and is a senior economist with a full professorship.

Mr. Wei Qiang Chinese Nationality

Non-executive director of the Bank. Mr. Wei currently serves as Director of Human Resources of CITIC Limited, the employee representative director, General Manager of Human Resources Department, Minister of Party Committee Organization Department, Executive Vice President (Executive Vice Dean) of CITIC Group Party School (CITIC Business School), Deputy Secretary of Party Committee of Directly Affiliated Organs of CITIC Group, General Manager of the Human Resources Department of CITIC Limited, the employee representative director of CITIC Corporation Limited, director of CITIC Trust Co., Ltd. He previously served as Deputy Director of the Industry Injury Investigation Bureau of the Ministry of Commerce, Deputy Director and Director of the Cadre Bureau V, Deputy Inspector and Second-level Inspector of the Cadre Supervision Bureau of the Organization Department of the CPC Central Committee. Mr. Wei graduated from Renmin University of China with a doctoral degree in law.

Mr. Hu Gang Chinese Nationality

Party committee member, executive director and Vice President of the Bank. Mr. Hu concurrently serves as director of CITIC Bank International Limited. He used to be deputy head of the preparatory team for the establishment of the Bank's Changsha Branch, Party committee member and vice president of Changsha Branch; Party committee member, vice president, secretary of Party committee, vice president (presiding) and president of the Bank's Chongqing Branch; secretary of Party committee and president of the Bank's Shanghai Branch; and Chief Risk Officer, head of the wholesale business and risk director of the Bank. Prior to that, he successively worked for the Political Department of Hunan Provincial Procuratorate, the General Office of the CPC Hunan Provincial Committee, Beihaixiang Properties Development Company and Hongdu Enterprise Company (both affiliated to Hunan Zhongli Industrial Group Co., Ltd.) and Changsha Xiangcai Urban Credit Cooperative in Hunan Province. Mr. Hu graduated from Hunan University with a doctoral degree in economics and is a senior economist.

Mr. Wang Yankang Chinese Nationality

Non-executive director of the Bank. Mr. Wang currently serves as director at Shanghai Tobacco Group Co., Ltd., China Tobacco Jiangsu Industrial Co., Ltd., China Tobacco Anhui Industrial Co., Ltd. and China Tobacco Fujian Industrial Co., Ltd. Previously, he worked at the Financial Management and Supervision Department (Audit Department) of the State Tobacco Monopoly Administration where he successively served as cadre, deputy chief staff member, and chief staff member of the Audit Division; deputy chief of the First Audit Division; deputy chief of the State-owned Assets Management Division; consultant and deputy chief of the State-owned Assets Management Division; and chief of the State-owned Assets Management Division. He was once temporarily appointed as the deputy county chief of Yunxi County, Hubei Province. Prior to that, Mr. Wang worked at the Finance Department of Tsinghua University and was assigned by the National Audit Office to the Audit Bureau of the State Tobacco Monopoly Administration. Mr. Wang graduated from Beijing Technology and Business University with a master's degree in management (majoring in accounting) and is a senior accountant.

Mr. Fu Yamin Chinese Nationality

Non-executive director of the Bank. Mr. Fu currently serves as Vice Chairman and General Manager of Quzhou Urban Development and Holding Group Co., Ltd., chairman of Quzhou Xin'an Development Co., Ltd., and director and deputy general manager of Quzhou Industrial Development Group Co., Ltd. He previously served as director and deputy general manager of Quzhou Industrial Holding Group Co., Ltd., head of the investment and financing department and assistant general manager of Quzhou Industrial Development Group Co., Ltd., and legal representative, executive director and general manager of Zhejiang Xin'an International Trade Group Co., Ltd. Prior to that, he worked at Hengxin Securities Co., Ltd., Shanghai Xinyong Industrial Co., Ltd., Shanghai Jinyong Investment Management Co., Ltd., Quzhou Sub-branch of China Zheshang Bank, Quzhou Sub-branch of Shanghai Pudong Development Bank, Quzhou Branch of Wenzhou Bank, the Shanghai Incubator in Haier Group Hai Chuanghui Fund, the Hangzhou-Jinhua-Quzhou Regional Company of Zhongliang Real Estate, and Quzhou Communications Investment Group Co., Ltd. Mr. Fu holds a master's degree in business management from Jilin University.

Mr. Liu Tsz Bun Bennett Chinese Nationality (Hong Kong)

Independent non-executive director of the Bank. Mr. Liu is now an honorary consultant of the Hong Kong Business Accountants Association, and an independent director of Shenzhen WeBank Co., Ltd., Ping An Life Insurance Company of China, Ltd., China Vanke Co., Ltd., and China Petroleum & Chemical Corporation. Previously, he was an accounting consulting expert of the Ministry of Finance of China and a Hong Kong member of the 14th session of Tianjin Municipal Committee of the Chinese People's Political Consultative Conference. Prior to that, he served as a managing partner of audit of KPMG Huazhen LLP China, a managing partner of audit of KPMG Asia Pacific, chairman of KPMG China and a senior advisor of KPMG Hong Kong. Mr. Liu graduated from the London School of Economics and Political Science with a bachelor's degree in economics. He has the chartered accountant qualification in England and Wales, as well as the Hong Kong Institute of Certified Public Accountants senior fellowship.

Mr. Zhou Bowen American Nationality

Independent non-executive director of the Bank. Mr. Zhou is an IEEE Fellow/CAAI Fellow, a long-tenured professor at the Department of Electronic Engineering and a professor of Huiyan Symposium of Tsinghua University, as well as director and chief scientist of Shanghai Artificial Intelligence Laboratory. Previously, he was the President of the Basic Research Institute of Artificial Intelligence at IBM's headquarters in New York, USA, Chief Scientist of IBM Watson, and IBM Distinguished Engineer; Vice President and senior Vice President of JD.com, Inc., Chairman of Technology Committee of JD.com, Inc., President of JD Cloud & AI, and President of JD AI Research Institute; Director of Kingdee International Software Group Co. Ltd.; and the founder of Beijing Xianyuan Technology Co., Ltd. Graduated from the University of Colorado with a doctorate degree in electronic and computer engineering, Mr. Zhou has been engaged in AI basic theory and cutting-edge technology research for more than 20 years. He has long-term academic research experience in the new generation of information technology represented by artificial intelligence, and accumulated an abundance of hands-on experience in the field of the Internet.

Mr. Wang Huacheng Chinese Nationality

Independent non-executive director of the Bank. Mr. Wang currently serves as an independent director of Wanhua Chemical Group Co., Ltd. and Beijing Capital International Airport Co., Ltd. The positions he previously held include deputy director of Accounting Department at Renmin University of China, deputy dean of Renmin Business School and professor of the Department of Finance and Accounting at Renmin Business School, as well as independent director of numerous companies such as Huatai Securities Co., Ltd., E Fund Management Co., Ltd., China Railway Construction Corporation Limited, BOE Technology Group Co., Ltd., Hua Xia Bank Co., Ltd., China Great Wall Securities Co., Ltd. and Tsinghua Tongfang Co., Ltd. Graduated from Renmin University of China with a doctorate degree in management (majoring in accounting), Mr. Wang has abundant research achievements and extensive experience in fiscal, accounting and financial fields.

Ms. Song Fangxiu Chinese Nationality

Independent non-executive director of the Bank. Ms. Song is currently deputy secretary of the Party committee of the School of Economics, professor and PhD supervisor at the Department of Finance, director of the China Center for Financial and Investment Research, Peking University, as well as an independent director of China Silver Group Limited. She previously worked as a lecturer, associate professor, Party committee member of the School of Economics, deputy director of the Department of Finance and assistant to the dean of the School of Economics at Peking University. She was a visiting scholar at the University of Minnesota. Ms. Song graduated from Peking University with a doctoral degree (majoring in finance). Her research focuses on monetary theories and policies, international finance and asset pricing. She published more than 50 academic papers in key journals of economics, books such as *Asset Allocation Mechanisms and Interest Rate Liberalization in China's Transition Economy* and *Comparison of Currency Internationalization Between China and the United States*, and a number of translated books. She hosted three provincial or ministerial-level research subjects under the National Social Science Fund Project and the Beijing Philosophy and Social Science Project and participated in a number of national and provincial-level research subjects.

3.1.5.1.5 Appointment, Resignation and Dismissal of Directors

On 20 February 2025, due to change of work arrangements, Mr. Liu Cheng resigned from his positions as the Bank's executive director, chairman of the Risk Management Committee of the Board of Directors and member of the Strategic and Sustainable Development Committee of the Board of Directors. Mr. Liu Cheng's resignation took effect on 20 February 2025.

On 25 March 2025, the Bank's first extraordinary general meeting of 2025 elected Mr. Lu Wei as an executive director of the 7th Session of the Board of Directors of the Bank. On 5 June 2025, Mr. Lu Wei officially assumed office as an executive director of the Bank upon approval by the NFRA. Prior to formally taking office, Mr. Lu Wei obtained a legal opinion as referred to in Rule 3.09D of the Hong Kong Listing Rules on 30 May 2025, and confirmed that he understood his responsibilities as a director of the Bank.

On 25 March 2025, the Bank's first extraordinary general meeting of 2025 elected Mr. Fu Yamin as a non-executive director of the 7th Session of the Board of Directors of the Bank. On 18 August 2025, Mr. Fu Yamin officially assumed office as a non-executive director of the Bank upon approval by the NFRA. Prior to formally taking office, Mr. Fu Yamin obtained a legal opinion as referred to in Rule 3.09D of the Hong Kong Listing Rules on 10 August 2025, and confirmed that he understood his responsibilities as a director of the Bank.

On 8 April 2025, due to retirement, Mr. Cao Guoqiang resigned from his positions as the Bank's non-executive director and member of the Strategic and Sustainable Development Committee of the Board of Directors. Mr. Cao Guoqiang's resignation took effect on 8 April 2025.

On 19 August 2025, due to change of work arrangements, Ms. Huang Fang resigned from her positions as a non-executive director of the Bank and the chairperson and a member of the Consumer Rights Protection Committee of the Board of Directors. Ms. Huang Fang's resignation took effect on 19 August 2025.

On 26 August 2025, the Bank's second extraordinary general meeting of 2025 elected Mr. Wei Qiang as a non-executive director of the 7th Session of the Board of Directors of the Bank. On 24 November 2025, Mr. Wei Qiang officially assumed office as a non-executive director of the Bank upon approval by the NFRA. Prior to formally taking office, Mr. Wei Qiang obtained a legal opinion as referred to in Rule 3.09D of the Hong Kong Listing Rules on 28 August 2025, and confirmed that he understood his responsibilities as a director of the Bank.

On 30 December 2025, due to change of work arrangements, Mr. Lu Wei resigned from his positions as the Bank's executive director, chairman and member of the Risk Management Committee of the Board of Directors and member of the Strategic and Sustainable Development Committee of the Board of Directors. Mr. Lu Wei's resignation took effect on 30 December 2025.

3.1.5.2 *Information on Work of the Board of Directors*

During the reporting period, the Board of Directors convened 14 meetings (including 10 on-site meetings and four meetings via written resolutions). At the meetings, the Board of Directors reviewed and approved 108 proposals regarding the 2024 annual report, report for the first quarter of 2025, 2025 interim report, report for the third quarter of 2025, profit distribution plan for 2024, interim profit distribution plan for 2025, 2024 sustainability report, 2025 business plan, 2025 fixed asset investment budget plan and 2026 audit project plan, among others. It also listened to 42 presentations regarding the Bank's reports on internal control, compliance and anti-money laundering in 2024 and the first half of 2025, outsourcing risk assessment report for 2024, report on innovation work in 2024, the Bank's problems notified by regulators and their rectification for 2024, regulatory rating and rectification of information technology in 2024, report on audit work in 2025, report on inclusive finance in 2025, as well as reports on operating performance for 2024, the first quarter of 2025, the first half of 2025 and the third quarter of 2025. In accordance with regulatory requirements and the Bank's Articles of Association, relevant significant matters were all submitted to the on-site meetings of the Board for deliberation.

The resolutions of the Board of Directors have been published on the official websites of the SSE (www.sse.com.cn), HKEXnews (www.hkexnews.hk) and the Bank (www.citicbank.com).

The attendance records of the directors of the Bank at the Board meetings during the reporting period are set out in the table below:

Directors	**In-person attendance/ number of meetings during his or her tenure**	**Attendance by proxy/ number of meetings during his or her tenure**	**Attendance of shareholders' meetings/ number of meetings during his or her tenure**
Fang Heying	14/14	0/14	10/10
Wei Qiang	3/3	0/3	0/0
Hu Gang	11/14	3/14	6/10
Wang Yankang	13/14	1/14	7/10
Fu Yamin	6/6	0/6	4/4
Liu Tsz Bun Bennett	14/14	0/14	10/10
Zhou Bowen	12/14	2/14	6/10
Wang Huacheng	14/14	0/14	10/10
Song Fangxiu	13/14	1/14	10/10
Non-incumbent members			
Cao Guoqiang	3/3	0/3	3/3
Liu Cheng	0/0	0/0	0/0
Lu Wei	5/7	2/7	4/7
Huang Fang	7/8	1/8	6/6

During the reporting period, none of the Bank's directors raised any objection to the resolutions of the Board of Directors or its special committees of the Bank. During the meetings and the periods when the meetings were not in session, directors of the Bank put forward a number of advice and suggestions, which were all adopted or responded to by the Bank.

The Nomination and Remuneration Committee under the Bank's Board of Directors examined the qualifications of the nominated directors in terms of their independence, expertise, experience and competence, to ensure the Board of Directors can work efficiently and make science-based decisions.

3.1.5.3 Special Committees of the Board of Directors

There are six special committees under the Board of Directors, namely the Strategic and Sustainable Development Committee, the Risk Management Committee, the Audit Committee, the Related Party Transactions Control Committee, the Nomination and Remuneration Committee and the Consumer Rights Protection Committee.

3.1.5.3.1 Strategic and Sustainable Development Committee

As at the end of the reporting period, the Strategic and Sustainable Development Committee of the Board of Directors of the Bank comprised three directors, with the Chairman and executive director Mr. Fang Heying as committee chairman, and non-executive director Mr. Wei Qiang and independent director Mr. Zhou Bowen as committee members. Its principal responsibilities include: to study the Bank's operation and management targets, long-term development strategies, and special strategic development plans regarding human resources, information technology development and other areas, study the annual financial budget and the final accounts plan, study the strategic capital allocation, including capital structure and capital adequacy ratios, as well as asset and liability management objectives, study major institutional restructuring proposals, study proposals on major cooperation, investment, financing, and merger and acquisition, and make recommendations thereon to the Board of Directors; to coordinate and promote the ESG system building, review the ESG-related work reports, and press ahead with the implementation of other ESG-related work as required by regulatory authorities; to promote the implementation of work related to the Five Priorities in finance of the Bank according to applicable regulatory requirements.

During the reporting period, the Strategic and Sustainable Development Committee convened six meetings[59] in total. At the meetings, it reviewed and approved 18 proposals regarding the profit distribution plan for 2024, the interim profit distribution plan for 2025, the 2024 sustainability report, the 2025 business plan, the 2025 work plan of the Strategic and Sustainable Development Committee of the Board of Directors and adjustments to tier-one Head Office departments. In addition, it listened to two presentations regarding the evaluation report on plan implementation in 2024 and the report on inclusive finance in 2025, while providing recommendations on relevant matters.

[59] During the reporting period, the Strategic and Sustainable Development Committee held meetings on 20 February, 26 March, 27 August, 28 September, 30 October and 24 December 2025, respectively.

The attendance records of the Strategic and Sustainable Development Committee members at the committee meetings during the reporting period are set out in the table below:

Members	In-person attendance/ number of meetings during his or her tenure	Attendance by proxy/ number of meetings during his or her tenure
Fang Heying	6/6	0/6
Wei Qiang	1/1	0/1
Zhou Bowen	5/6	1/6
Non-incumbent members		
Cao Guoqiang	2/2	0/2
Liu Cheng	0/0	0/0
Lu Wei	3/4	1/4

3.1.5.3.2 Risk Management Committee

As at the end of the reporting period, the Risk Management Committee of the Board of Directors of the Bank comprised three directors, with executive director Mr. Hu Gang and independent directors Mr. Liu Tsz Bun Bennett and Mr. Wang Huacheng as members. The principal responsibilities of the committee include the following: to supervise the senior management's control of credit risk, liquidity risk, market risk, interest rate risk in the banking book, operational risk, compliance risk, money laundering risk, reputational risk, etc.; to conduct regular assessments of the Bank's risk appetite and overall risk profile, and submit recommendations to the Board of Directors on improving the Bank's risk management and internal control framework; in alignment with the Bank's overall strategy, to review risk management-related proposals submitted to the Board of Directors and provide its recommendations; to review the fundamental provisions on anti-money laundering and other major risk management rules, as well as the following significant risk management policies: risk appetite, credit risk management policy, liquidity risk management policy, market risk management policy, operational risk management policy, compliance risk management policy, reputational risk management policy, credit risk internal ratings management policy, and stress testing policy, and submit its recommendations to the Board of Directors; and to evaluate the effectiveness of the Bank's compliance management and the development of its compliance culture, supervise the rectification of material issues identified in compliance management and compliance culture development, and perform other compliance management duties as authorized by the Board of Directors.

During the reporting period, the Risk Management Committee convened eight meetings[60] in total. At the meetings, it reviewed and approved 36 proposals regarding the 2024 report on management of capital adequacy ratio, 2025 risk appetite statement, 2025 work plan of the Risk Management Committee of the Board of Directors, matters relating to supplementary materials for the application for assessment of advanced approaches for capital measurement, matters relating to the implementation of the expected credit loss approach, and comprehensive risk management reports for the first half and the third quarter of 2025. It also listened to 21 presentations regarding the comprehensive risk management reports for 2024 and the first quarter of 2025, the 2024 report on the credit risk internal

[60] During the reporting period, the Risk Management Committee held meetings on 21 March, 9 April, 27 April, 19 June, 14 July, 26 August, 28 October and 24 December 2025, respectively.

rating system, the 2024 report on the disposal of non-performing assets, the Bank's problems raised by regulators and their rectification for 2024, and the report on the Bank's preparation for implementing advanced approaches for capital measurement in 2025, while providing recommendations on relevant matters.

The attendance records of the Risk Management Committee members at the committee meetings during the reporting period are set out in the table below:

Members	In-person attendance/ number of meetings during his or her tenure	Attendance by proxy/ number of meetings during his or her tenure
Hu Gang	6/8	2/8
Liu Tsz Bun Bennett	6/8	2/8
Wang Huacheng	8/8	0/8
Non-incumbent members		
Liu Cheng	0/0	0/0
Lu Wei	2/3	1/3

3.1.5.3.3 Audit Committee[61]

As at the end of the reporting period, the Audit Committee of the Board of Directors of the Bank comprised three directors, with independent director Mr. Liu Tsz Bun Bennett as chairman, and independent directors Mr. Wang Huacheng and Ms. Song Fangxiu as members. The principal responsibilities of the committee include the following: to inspect the Bank's financial position, review financial information in the financial statements and periodic reports as well as their disclosure, and review changes in accounting policies or accounting estimates or corrections of material accounting errors, not caused by changes in accounting standards; to propose to the Board of Directors the appointment or dismissal of the accounting firm responsible for conducting the statutory audit of the Bank's financial statements and supervise and evaluate the work of the external auditor; to oversee, guide, assess and evaluate the internal audit work as well as supervise and evaluate the Bank's internal control; to propose to the Board of Directors the appointment or dismissal of the person in charge of finance and accounting of the Bank; to supervise the performance of duties at the Bank by the Board of Directors, the senior management and their members; and to exercise such functions and powers as are vested in the Board of Supervisors under the *Company Law* and applicable regulatory rules.

During the reporting period, the Audit Committee convened eight meetings[62] in total. At these meetings, it reviewed and approved 26 proposals regarding the Bank's 2024 annual report, report for the first quarter of 2025, 2025 interim report, report for the third quarter of 2025, 2024 internal

[61] Pursuant to the relevant resolutions of the Bank's shareholders' meeting and the Board of Directors, and upon approval by the regulatory authorities, the Bank ceased to have the Board of Supervisors effective from 16 December 2025. The former Audit and Related Party Transactions Control Committee of the Board of Directors was accordingly divided into the Audit Committee of the Board of Directors and the Related Party Transactions Control Committee of the Board of Directors. From 1 January to 15 December 2025, the Audit Committee (formerly the Audit and Related Party Transactions Control Committee) assumed responsibilities for the management of related party transactions.

[62] During the reporting period, the Audit Committee held meetings on 19 February, 21 March, 27 April, 19 June, 14 July, 26 August, 28 October and 24 December 2025, respectively.

control evaluation report, 2024 special report on related party transactions, appointment of the accounting firm for 2025 and its remuneration; 2025 special audit report on business continuity, the committee's rules of procedure, revisions to the consolidated management policy, revisions to supporting policies related to information disclosure, the committee's 2025 annual work plan, and the committee's performance evaluation of the quality of audit work for 2025. It also listened to 11 presentations regarding the Bank's reports on internal control, compliance, and anti-money laundering for 2024 and the first half of 2025, 2025 audit work report, validation report prior to the launch of the expected credit loss model, and reports on operating performance for 2024, the first quarter of 2025, the first half of 2025 and the third quarter of 2025, while providing recommendations on relevant matters.

The attendance records of the Audit Committee members at the committee meetings during the reporting period are set out in the table below:

Members	In-person attendance/ number of meetings during his or her tenure	Attendance by proxy/ number of meetings during his or her tenure
Liu Tsz Bun Bennett	7/8	1/8
Wang Huacheng	8/8	0/8
Song Fangxiu	7/8	1/8

During the preparation and audit of the Bank's 2025 annual report, the members of the Audit Committee reviewed the audit timetable and progress arrangements of the external auditors, tracked audit progress, priorities and preliminary conclusions, etc., and urged and supervised the external auditor's work by means of listening to presentations and arranging meetings. It reviewed the Bank's financial statements twice and carried out multiple rounds of communication with the CPAs responsible for the annual audit. The Audit Committee convened a meeting on 17 March 2026, and was of the opinion that the financial statements of the Bank gave a true, accurate and fair view of the overall situation of the Bank. The Audit Committee reviewed the external auditor's report on the annual audit and comprehensively and objectively assessed its completion of the annual audit work and the quality of its professional services.

After assuming the supervisory responsibilities of the Board of Supervisors on 16 December 2025, the Audit Committee raised no objections to the supervisory matters carried out during the reporting period.

3.1.5.3.4 Related Party Transactions Control Committee

As at the end of the reporting period, the Related Party Transactions Control Committee of the Board of Directors of the Bank comprised three directors, with independent director Ms. Song Fangxiu as chairperson, and independent directors Mr. Liu Tsz Bun Bennett and Mr. Wang Huacheng as members. The principal responsibilities of the committee include the following: to conduct research on the related party transactions management policy and submit recommendations to the Board of Directors; to oversee the implementation of the related party transactions policy; to conduct preliminary reviews of related party transactions subject to the Board of Directors' approval and submit them to the Board of Directors for approval, with particular focus on their compliance, fairness and necessity; to approve related party transactions or accept filings thereof within the scope prescribed by laws and regulations and as authorized by the Board of Directors; and to keep informed of risks, violations, and accountability matters relating to related party transactions and take appropriate actions when necessary.

During the reporting period, the Related Party Transactions Control Committee convened one meeting[63]. At the meeting, it reviewed and approved five proposals regarding the formulation of the rules of procedure of the committee, revisions to the *Measures for the Management of Related Party Transactions*, and related party transactions conducted with related parties, while providing recommendations on relevant matters.

The attendance records of the Related Party Transactions Control Committee members at the committee meeting during the reporting period are set out in the table below:

Members	**In-person attendance/ number of meetings during his or her tenure**	**Attendance by proxy/ number of meetings during his or her tenure**
Song Fangxiu	1/1	0/1
Liu Tsz Bun Bennett	0/1	1/1
Wang Huacheng	1/1	0/1

3.1.5.3.5 Nomination and Remuneration Committee

As at the end of the reporting period, the Nomination and Remuneration Committee of the Board of Directors of the Bank comprised four directors, with independent director Mr. Wang Huacheng as chairman, and independent directors Mr. Liu Tsz Bun Bennett, Mr. Zhou Bowen and Ms. Song Fangxiu as members. The principal responsibilities of the committee are the following: to formulate the procedures and standards for selecting and appointing directors and senior management members, to select and review the candidates for directors and senior management members as well as their qualifications and make recommendations to the Board of Directors on the nomination or removal of directors and the appointment or removal of senior management members; to advise the Board of Directors on independent director candidates and review the qualifications of the nominated candidates for independent directors in terms of independence, expertise, experience and capabilities; to review the structure, size and composition (including skills, knowledge and experience) of the

63 During the reporting period, the Related Party Transactions Control Committee held one meeting on 24 December 2025.

Board of Directors at least annually and assess the independence of independent directors and make recommendations on any proposed changes regarding the Board of Directors in line with the Bank's development strategy; to formulate policies concerning diversity of Board members and promote the diversity of Board members; and to review the remuneration management policies of the Bank, formulate the performance evaluation standards for directors and senior management members and conduct the evaluation, as well as draft the remuneration policy and scheme for directors and senior management members.

During the reporting period, the Nomination and Remuneration Committee convened seven meetings[64] in total. At these meetings, it reviewed and approved 14 proposals regarding the appointment of Mr. Lu Wei as President, nomination of Mr. Lu Wei as an executive director, review of the Diversity Policy of the Board of Directors, the 2025 annual work plan of the Nomination and Remuneration Committee of the Board of Directors, appointment of Mr. Jin Xinian as vice president, nomination of Mr. Wei Qiang as a candidate for non-executive director of the 7th Session of the Board of Directors, matters relating to the purchase of liability insurance for directors, supervisors and senior management members, adjustments to the remuneration policy for directors of the 7th Session of the Board of Directors, appointment of Mr. Jin Xinian as risk director, the 2024 employee remuneration settlement plan, revisions to the rules of procedure of the committee, and the 2023 performance evaluation and remuneration distribution plan for senior management members, while providing recommendations on relevant matters.

In reviewing candidates for directors and providing advice to the Board of Directors, the Nomination and Remuneration Committee of the Board of Directors takes into account objective conditions, properly considers the benefits of diversity in all aspects of Board members, and comprehensively weighs talent, skills, expertise, experience, and cultural and educational background of Board members. At any given time, the Nomination and Remuneration Committee may recommend that the Board of Directors improve its diversity in one or multiple aspects, so as to maintain an appropriate and balanced composition of the Board of Directors and adapt to the business development of the Bank.

The attendance records of the Nomination and Remuneration Committee members at the committee meetings during the reporting period are set out in the table below:

Members	**In-person attendance/ number of meetings during his or her tenure**	**Attendance by proxy/ number of meetings during his or her tenure**
Wang Huacheng	7/7	0/7
Liu Tsz Bun Bennett	6/7	1/7
Zhou Bowen	6/7	1/7
Song Fangxiu	7/7	0/7

[64] During the reporting period, the Nomination and Remuneration Committee held meetings on 19 February, 21 March, 8 May, 19 June, 14 July, 25 September and 24 December 2025, respectively.

During the reporting period, the Nomination and Remuneration Committee performed the nomination procedure for directors and senior management members in line with its rules of procedure, including: reviewing the qualifications of the nominated candidates for directors and senior management members in terms of their independence, expertise, experience and capabilities; reviewing the structure, size and composition of the Board of Directors (including skills, knowledge and experience) at least annually; and making recommendations on any proposed changes regarding the Board of Directors in line with the Bank's development strategy.

3.1.5.3.6 Consumer Rights Protection Committee

As at the end of the reporting period, the Consumer Rights Protection Committee of the Board of Directors of the Bank comprised four directors, with non-executive director Mr. Wang Yankang as chairman, and non-executive director Mr. Fu Yamin and independent directors Mr. Zhou Bowen and Ms. Song Fangxiu as members. The principal responsibilities of the committee include the following: to submit the consumer rights protection work report and annual report to the Board of Directors, carry out relevant work as authorized by the Board of Directors, discuss and decide on relevant matters, and study major issues and important policies on consumer rights protection; to guide and supervise the establishment and improvement of consumer rights protection management policy system and ensure that the relevant policies and rules are aligned with the Bank's corporate governance, corporate culture development, and business development strategies; and, in accordance with regulatory requirements and the implementation status of the Bank's consumer rights protection strategy, policies, objectives and initiatives, oversee the comprehensiveness, timeliness and effectiveness of the work carried out by the senior management and the consumer rights protection departments; and to review the work reports of the senior management and the consumer rights protection department, study the audit reports, regulatory circulars and internal assessment results relating to the annual consumer protection work, and urge the senior management and relevant departments to timely implement rectification measures in respect of the issues identified.

During the reporting period, the Consumer Rights Protection Committee convened four meetings[65] in total. At these meetings, it reviewed and approved five proposals regarding the 2024 work summary and 2025 work plan for consumer rights protection, the 2025 annual work plan of the Consumer Rights Protection Committee of the Board of Directors, the 2025 H1 work summary and H2 work plan for consumer rights protection work, the report on issues identified in the 2024 special audit on consumer rights protection and the subsequent rectification, and revisions to the rules of procedure of the committee. It also listened to two presentations regarding the interpretations of the *Measures for the Regulatory Evaluation of Consumer Rights Protection by Financial Institutions* and the *Measures for the Product Suitability Management of Financial Institutions*, while providing recommendations on relevant matters.

[65] During the reporting period, the Consumer Rights Protection Committee held meetings on 21 March, 26 August, 28 October and 24 December 2025, respectively.

The attendance records of the Consumer Rights Protection Committee members at the committee meetings during the reporting period are set out in the table below:

Members	In-person attendance/ number of meetings during his or her tenure	Attendance by proxy/ number of meetings during his or her tenure
Wang Yankang	4/4	0/4
Fu Yamin	3/3	0/3
Zhou Bowen	2/4	2/4
Song Fangxiu	3/4	1/4
Non-incumbent members		
Huang Fang	1/1	0/1
Liu Tsz Bun Bennett	3/3	0/3

3.1.5.4 Independence of Independent Non-Executive Directors and Their Performance of Duties

The independent non-executive directors of the Bank had no business or financial interests in the Bank or its subsidiaries, nor did they assume any managerial positions in the Bank. Therefore, their independence was well assured. The Bank has received annual confirmation from each independent non-executive director confirming his/her independence and recognized his/her independence as such.

The Nomination and Remuneration Committee of the Board of Directors reviews the implementation and effectiveness of relevant mechanisms every year. After considering the following factors, the Nomination and Remuneration Committee considered that the Bank maintained an effective mechanism to ensure the Board of Directors can obtain independent opinions and comments:

- The Board of Directors has four independent non-executive directors, accounting for more than one third of the members of the Board of Directors. The chairpersons of the Audit Committee, the Related Party Transactions Control Committee and the Nomination and Remuneration Committee of the Board of Directors are all independent non-executive directors, and all of their members are independent non-executive directors. As at the end of the reporting period, two-thirds of the members of the Risk Management Committee of the Board of Directors were independent non-executive directors.

- When reviewing the qualifications of the proposed independent non-executive directors, the Nomination and Remuneration Committee of the Board of Directors fully considered their independence.

- The Chairman held an annual meeting with all independent non-executive directors without the presence of other directors, and listened to their independent opinions on the Bank's corporate governance and operational management.

- The Bank established a special meeting mechanism for independent non-executive directors to ensure that they can study and discuss matters of the Bank when necessary.

- In daily work, the Bank provided effective channels for independent non-executive directors to know about the Bank's operations, and organized the relevant business departments to maintain full communication and exchanges with the independent non-executive directors at their reasonable request.

The independent non-executive directors of the Bank effectively performed their duties by attending the shareholders' meetings as well as meetings of the Board of Directors and its special committees, reviewing reference materials submitted by the senior management and actively expressing their opinions. They also enhanced their understanding of the business development of the Bank and its affiliates by multiple means, including field surveys and symposiums. During the reporting period, each of the independent non-executive directors of the Bank devoted no fewer than 15 working days to the Bank's work.

The independent non-executive directors of the Bank highly valued and continuously enhanced their own capacity for duty performance. Prior to each Board meeting, they communicated with the management of the Bank on relevant agenda items. They also participated in various training sessions organized by the regulators and listened to reports on relevant policies of the Bank to timely understand regulatory requirements and trends, deepen their understanding of regulatory policies, and continuously improve their capability of duty performance.

According to the *Regulations of China CITIC Bank Corporation Limited on the Work of the Independent Directors in Relation to the Annual Report*, the independent non-executive directors of the Bank communicated with the auditors and fully performed their role of independent supervision. During the reporting period, the independent non-executive directors did not raise any objections to the proposals of either the Board of Directors or its special committees.

The independent non-executive directors of the Bank put forward relevant comments and suggestions regarding the Bank's operations and management, business development, strategic planning, profit distribution, risk management, related party transactions, etc. The Bank attached great importance to such inputs and implemented them in light of its actual situation. For information regarding the attendance of the independent non-executive directors at shareholders' meetings and the Board meetings during the reporting period, please refer to "Information on Work of the Board of Directors" in this chapter.

3.1.5.5 Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers

The Bank has adopted the *Model Code for Securities Transactions by Directors of Listed Issuers* (the "Model Code") as set out in Appendix C3 to the Hong Kong Listing Rules and has complied with Rules 13.67 and 19A.07B of the Hong Kong Listing Rules to regulate the securities transactions of its directors and supervisors who served during the reporting period. All the directors and supervisors who served during the reporting period were consulted specifically for this matter, and all of them confirmed that they had strictly complied with the relevant provisions of the Model Code throughout the reporting period.

3.1.5.6 *Responsibility Statement of the Directors on the Financial Statements*

The following statement, which sets out the responsibility of the directors to the financial statements, should be read in conjunction with, but distinguished in understanding from, the review opinions as set out in the auditor's report contained in this annual report.

The directors acknowledge that they are responsible for preparing the financial statements of the Bank that give a true view of the operating results of the Bank for each financial year. The directors are not aware of any events or conditions that could have a material adverse impact on the Bank's operation as a going concern.

3.1.6 Information on the Dissolution of the Board of Supervisors

As per the *Proposal on the Dissolution of the Board of Supervisors* and the *Proposal on the Revisions to the Articles of Association of China CITIC Bank Corporation Limited, the Rules of Procedure for the Shareholders' General Meeting and the Rules of Procedure for the Board of Directors* reviewed and approved at the Bank's second extraordinary general meeting of 2025, third A shareholders class meeting of 2025 and the third H shareholders class meeting of 2025, as well as the revised *Articles of Association* of the Bank effective upon the approval of the NFRA, the Bank no longer has a Board of Supervisors from 16 December 2025. Thereafter, the Audit Committee of the Board of Directors exercised the powers and functions of the Board of Supervisors as prescribed under the *Company Law of the People's Republic of China* and applicable regulatory requirements. Please refer to the *Announcement on the Dissolution of the Board of Supervisors of China CITIC Bank Corporation Limited* published on the official websites of the SSE (www.sse.com.cn), HKEXnews (www.hkexnews.hk), and the Bank (www.citicbank.com) on 19 December 2025 for detailed information thereof.

During the reporting period, the supervisors of the Bank strictly complied with applicable laws and regulations and regulatory requirements, and there were no instances of their trading in the Bank's securities or of being subject to regulatory penalties.

3.1.6.1 *Information on Work of the Board of Supervisors*

As at 16 December 2025, the Board of Supervisors of the Bank convened 10 meetings (including 9 on-site meetings and 1 meeting via written resolutions). Centering on the Bank's central tasks, it strengthened the supervision of financial activities, risk management, internal control, duty performance, etc. At these meetings, it reviewed and approved 17 proposals regarding the Bank's 2024 annual report, report for the first quarter of 2025, 2025 interim report, and report for the third quarter of 2025, profit distribution plan for 2024 and interim profit distribution plan for 2025, dividend distribution plan for preference shares for 2025, report on internal control assessment in 2024, 2024 sustainability report, 2024 work report and 2025 work plan for the Board of Supervisors, engagement of accounting firms and their fees for 2025, and assessment report on duty performance of the Board of Directors, the Board of Supervisors, the senior management and their members by the Board of Supervisors in 2024. At the same time, it listened to 49 presentations regarding the Bank's circulars of recent relevant policy updates, assessment report on plan implementation in 2024, reports on operating performance for 2024, the first quarter of 2025, the first half of 2025 and the third quarter of 2025, report on comprehensive risk management for 2024, the first quarter of 2025, the first half of 2025 and the third quarter of 2025, report on internal control, compliance and anti-money laundering for 2024 and the first half of 2025, report on implementation of consolidated management of the bank group in 2024, independent external third-party validation report on the expected credit loss model, 2024 work summary and 2025 H1 work plan for consumer rights protection, and matters relating to supplementary materials for the application for implementation of advanced approaches for capital measurement. In this way, the Board of Supervisors gained a deep understanding of the operations and management of the Bank, actively performed its supervisory duties, expressed comments and recommendations on significant matters, and endeavored to enhance the quality and efficiency of supervision.

The Board of Supervisors mainly performed its supervisory function by convening meetings of the Board of Supervisors. Based on comments and recommendations of supervisors, the Board of Supervisors issued two *Supervision Work Letters* during its term of office to relevant business units for study and feedback, and submitted them to the Board of Directors and the senior management, which helped further improve the full-process and closed-loop supervision mechanism, raised the quality and efficiency of the meetings of the Board of Supervisors, and enhanced the interaction of bodies involved in corporate governance. In addition, it intensified efforts in tracking and implementing the resolutions and supervisory opinions of its meetings and enhanced supervisory efficiency and quality. Members of the Board of Supervisors during its term of office also attended shareholders' meetings, attended meetings of the Board of Directors, meetings of the special committees of the Board of Directors and meetings of the senior management as non-voting delegates and reviewed various reference materials submitted by the senior management to ensure adequate supervision over the decision-making process of the Bank's significant matters.

During the reporting period, the Board of Supervisors had no objection to the supervisory matters in the course of performing its duties.

3.1.6.2 *Information on Supervisors Leaving Office During the Reporting Period*

From 16 December 2025, the Bank no longer maintain the Board of Supervisors according to the Articles of Association. The Audit Committee of the Board of Directors exercised the functions and powers of the Board of Supervisors as stipulated under the *Company Law of the People's Republic of China* and relevant regulatory provisions. Mr. Wei Guobin, Ms. Sun Qixiang, Ms. Li Rong, Mr. Cheng Pusheng, Mr. Zhang Chun and Ms. Zeng Yufang ceased to serve as supervisors of the Bank.

Supervisors of the Bank leaving office during the reporting period are listed as follows:

Name	Position	Gender	Date of birth	Term of office	Year-beginning shareholding	Year-end shareholding	Pre-tax payable remuneration earned from the Bank during the reporting period (RMB10 thousand)	Whether receiving remuneration from the Bank's related party (parties)
Non-incumbent supervisors								
Wei Guobin	External Supervisor	Male	Mar. 1959	May 2020-Dec. 2025	0	0	26	No
Sun Qixiang	External Supervisor	Female	Sep. 1956	Jun. 2021-Dec. 2025	0	0	26	No
Li Rong	Shareholder Representative Supervisor	Female	Apr. 1968	Jan. 2021-Dec. 2025	364,000	364,000	157.59	No
Cheng Pusheng	Employee Representative Supervisor	Male	Feb. 1968	Mar. 2022-Dec. 2025	354,000	354,000	156.59	No
Zhang Chun	Employee Representative Supervisor	Male	Feb. 1973	Jun. 2024-Dec. 2025	210,000	210,000	147.49	No
Zeng Yufang	Employee Representative Supervisor	Female	Dec. 1970	Sep. 2017-Dec. 2025	188,000	188,000	123.94	No

Notes: (1) The commencement of the terms of office of the re-elected supervisors listed above is the time of their respective initial appointment.

(2) The final remunerations of the supervisors who receive remunerations from the Bank are still undergoing confirmation, and the remaining amounts will be disclosed upon completion of the confirmation process.

(3) The shareholder representative supervisors of the Bank did not receive any remuneration for serving as supervisors from the Bank.

(4) The shares of the Bank held by the supervisors set out in above table are all ordinary H shares. They neither held relevant share options nor were granted restricted shares.

As at the end of the reporting period, none of the supervisors was subject to penalties imposed by the securities regulatory authorities in the past three years.

3.1.7 Senior Management

3.1.7.1 Responsibilities of the Senior Management

The senior management is accountable to the Board of Directors and subject to the supervision of the Audit Committee of the Board of Directors (exercised the functions and powers of the Board of Supervisors). There is a strict division of duties and separation of powers between the Bank's senior management and the Board of Directors. Pursuant to the Bank's Articles of Association and as authorized by the Board of Directors, the senior management carefully carries out operations and management and implements the resolutions of the shareholders' meetings and the Board meetings. The Board of Directors evaluates the performance of the senior management members, the results of which shall be used as the basis for determining remuneration and other incentive arrangements for the senior management members. The senior management should promptly, accurately and completely report the Bank's operations and management and provide relevant materials as required by the Board of Directors and the Audit Committee of the Board of Directors. As at the disclosure date of this report, the senior management comprised 7 members.

3.1.7.2 Members of the Senior Management

Members of the senior management of the Bank as at the disclosure date of this report are listed as follows:

Name	Position	Gender	Date of birth	Term of office	Year-beginning shareholding	Year-end shareholding	Pre-tax payable remuneration earned from the Bank during the reporting period (RMB10 thousand)	Whether receiving remuneration from the Bank's related party (parties)
Hu Gang	Executive Director Vice President	Male	Mar. 1967	Oct. 2024-Jun. 2027 Since May 2017	1,627,000	1,627,000	225.51	No
Xie Zhibin	Vice President	Male	May 1969	Since Jun. 2019	749,000	907,000	225.51	No
He Jinsong	Vice President	Male	Dec. 1968	Since Oct. 2024	760,000	760,000	225.87	No
Gu Lingyun	Vice President	Male	Feb. 1978	Since Mar. 2025	0	0	225.02	No
Jin Xinian	Vice President Chief Risk Officer	Male	Mar. 1971	Since Aug. 2025 Since Dec. 2025	0	0	202.87	No
Lu Jingen	Business Director	Male	Jun. 1969	Since Aug. 2018	553,000	553,000	189.38	No
Zhang Qing	Board Secretary	Female	Aug. 1968	Jul. 2019-Jun. 2027	550,000	650,000	189.35	No
Non-incumbent senior management members								
Liu Cheng	Executive Director President	Male	Dec. 1967	Mar. 2022-Feb. 2025 Jan. 2022-Feb. 2025	624,000	468,000	22.78	No
Lu Wei	Executive Director President	Male	Oct. 1971	Jun. 2025-Dec. 2025 Apr. 2025-Dec. 2025	0	0	226.96	No
Lü Tiangui	Vice President	Male	Oct. 1972	Aug. 2018-Mar. 2025	830,000	1,000,000	38.55	No

Notes: (1) The commencement of the terms of office of the re-engaged senior management members listed above is the time of their respective initial engagement.

(2) The final remuneration of members of the senior management who received remuneration from the Bank is still undergoing confirmation, and the remaining amounts will be disclosed upon completion of the confirmation process.

(3) The shares of the Bank held by the senior management members set out in above table are all ordinary H shares. Changes in their shareholdings during the reporting period were attributable to trading on secondary market. Incumbent senior management members and senior management members leaving office during the reporting period neither held relevant share options nor were granted restricted shares.

As at the end of the reporting period, none of the Bank's incumbent senior management members or those who left office during the reporting period had been subject to penalties imposed by securities regulatory authorities in the past three years.

3.1.7.2.1 Positions Held by Senior Management Members at Entities Other Than Shareholders

Name	Name of Entities	Position
Hu Gang	CNCBI	Director
Xie Zhibin	CITIC aiBank	Chairman
	JSC Altyn Bank	Director
	CITIC Foundation for Reform and Development Studies	Director
	8th Council of the China Numismatic Society	Executive Director
	China UnionPay Co., Ltd.	Director
Gu Lingyun	CNCB Investment	Director
	9th Council of China Chamber of International Commerce	Vice Chairman

Note: Senior management members of the Bank held no positions or concurrent posts at the Bank's shareholders.

3.1.7.2.2 Resumes of Senior Management Members

Mr. Hu Gang Chinese Nationality

Party committee member, executive director and Vice President of the Bank. Please refer to "Responsibilities and Members of the Board of Directors" in this chapter for Mr. Hu Gang's resume.

Mr. Xie Zhibin Chinese Nationality

Party committee member and Vice President of the Bank. Mr. Xie concurrently serves as Chairman of CITIC aiBank Corporation Limited, director of Altyn Bank, director of CITIC Foundation for Reform and Development Studies, executive director of the 8th Council of the China Numismatic Society and director of China UnionPay Co., Ltd. He used to be a director of CNCB (Hong Kong) Investment Co., Ltd. Prior to that, Mr. Xie worked at China Export Credit Insurance Corporation and China Everbright Group Co., Ltd. He held positions, including assistant general manager, deputy general manager and general manager of the human resources department (assistant director, deputy director and director of the organization department under the Party committee) of China Export Credit Insurance Corporation, secretary of the Party committee of the company's Shenzhen branch, person in charge, secretary of the Party committee, general manager, and Party Committee member and assistant general manager of the company's Hebei branch (during which he temporarily

worked as a standing Party committee member and Deputy Mayor of Hohhot City in Inner Mongolia Autonomous Region). He also served as Party committee member and secretary of the Committee for Disciplinary Inspection of China Everbright Group Co., Ltd. Mr. Xie graduated from Renmin University of China with a doctoral degree in economics and is a senior economist.

Mr. He Jingsong Chinese Nationality

Party committee member and Vice President of the Bank. Mr. He concurrently serves as secretary of the Party committee and president of the Bank's Beijing Branch. He previously served as assistant president, vice president, secretary of the Party committee and president of the Bank's Chengdu Branch, general manager of the Law and Asset Preservation Department of the Head Office, and secretary of the Party committee and president of the Bank's Shanghai Branch. Prior to that, he worked at Sichuan Rural Trust and Investment Company. Mr. He graduated from Southwest University of Finance and Economics with a master's degree in economics and is a senior economist.

Mr. Gu Lingyun Chinese Nationality

Party committee member and Vice President of the Bank. Mr. Gu concurrently serves as general manager of the Corporate Finance Department of the Bank, director of CNCB (Hong Kong) Investment Co., Ltd., and vice chairman of the 9th Council of China Chamber of International Commerce. He used to serve as assistant president, Party committee member, risk director and vice president of the Bank's Hangzhou Branch; deputy general manager (presiding) of the Inclusive Finance Department of the Head Office; Party committee member, vice president (presiding), secretary of the Party committee and president of the Asset Management Business Center of the Head Office; secretary of the Party committee, president and chairman of CITIC Wealth Management Corporation Limited; supervisor of Guomin Pension & Insurance Company Limited. Mr. Gu graduated from Zhejiang University with a bachelor's degree in economics.

Mr. Jin Xinian Chinese Nationality

Party committee member, Vice President and chief risk officer of the Bank. Mr. Jin previously served as general manager of the Investment Banking Department of the Bank, general manager of the Corporate Banking Department of the Bank, secretary of the Party committee, acting president and president of the Bank's Guangzhou Branch, and general manager of the Credit Execution Department. Prior to that, he worked for Agricultural Bank of China, where he successively served as Party committee member, assistant president and vice president of Shanxi Branch, deputy general manager of the Big Client Department of the Head Office (at the level of deputy provincial branch president), and deputy general manager of the Big Client Department/Business Department of the Head Office (same level as vice president of a provincial branch). Mr. Jin graduated from Shanxi University of Finance and Economics with a degree of Executive Master of Business Administration and is a senior economist with a full professorship.

Mr. Lu Jingen Chinese Nationality

Business director of the Bank. Mr. Lu previously served as Party committee member and assistant general manager of the Business Department of the Head Office of the Bank (currently Beijing Branch), assistant general manager (presiding) of the Corporate Banking Department of the Head Office, secretary of the Party committee and president of the Bank's Kunming Branch, Changsha Branch and Nanjing Branch, and general manager of the Corporate Banking Department (Rural Revitalization Department) of the Head Office. Mr. Lu graduated from Central South University with a doctorate degree in management and is a senior economist.

Ms. Zhang Qing Chinese Nationality

Board secretary and company secretary of the Bank. Ms. Zhang concurrently serves as general manager of the Risk Management Department of the Bank. She previously served as Party committee member, assistant president, and vice president of the Bank's Xi'an Branch, general manager of the Credit Management Department, head of the Organizing Department of the Party Committee and general manager of the Human Resources Department at the Head Office of the Bank as well as a director of CITIC Financial Leasing Co., Ltd. and CNCB (Hong Kong) Investment Co., Ltd. Prior to that, she worked at Shaanxi Branch of Industrial and Commercial Bank of China. Ms. Zhang graduated from Shaanxi Institute of Mechanical Engineering (now Xi'an University of Technology) with a master's degree in engineering and is a senior economist.

3.1.7.2.3 Appointment, Resignation and Dismissal of Senior Management Members

On 20 February 2025, Mr. Liu Cheng resigned from the position of President of the Bank due to change of work arrangements. Mr. Liu Cheng's resignation took effect on 20 February 2025. On the same day, the Board of Directors of the Bank reviewed and approved the relevant proposal, appointing Mr. Lu Wei as President of the Bank who shall take office on the date when his qualification for President is approved by regulators. The Board of Directors designated Mr. Lu Wei to perform the duties of President of the Bank on an acting basis for a period from the effective date of Mr. Liu Cheng's resignation from President of the Bank to the date when Mr. Lu Wei's qualification for President of the Bank is approved by regulators. On 21 April 2025, Mr. Lu Wei officially assumed office as President of the Bank upon approval by the NFRA.

On 10 March 2025, Mr. Lü Tiangui resigned from the position of Vice President of the Bank due to change of work arrangements. Mr. Lü Tiangui's resignation took effect from 10 March 2025.

On 8 May 2025, the Board of Directors of the Bank reviewed and approved the relevant proposal and appointed Mr. Jin Xinian as Vice President of the Bank. On 4 August 2025, Mr. Jin Xinian officially assumed office as Vice President of the Bank upon approval by the NFRA.

On 28 September 2025, due to work arrangements, Mr. Hu Gang resigned from the position of chief risk officer of the Bank. Mr. Hu Gang continued to serve as executive director, Vice President and his other positions at the Bank, after his resignation as the chief risk officer of the Bank. On the same day, the Board of Directors of the Bank reviewed and approved the relevant proposal and appointed Mr. Jin Xinian as chief risk officer of the Bank. On 2 December 2025, Mr. Jin Xinian officially assumed office as chief risk officer of the Bank upon approval by the NFRA.

On 30 December 2025, Mr. Lu Wei resigned from the position of President of the Bank due to change of work arrangements. Mr. Lu Wei's resignation took effect on 30 December 2025. On the same day, the Board of Directors of the Bank reviewed and approved the relevant proposal and designated Mr. Fang Heying to perform the duties of President of the Bank on an acting basis from the effective date of Mr. Lu Wei's resignation as President of the Bank.

On 20 March 2026, the Board of Directors of the Bank reviewed and approved relevant proposal and appointed Mr. Zhao Yuanxin as Vice President of the Bank. Mr. Zhao Yuanxin shall officially assume office as Vice President of the Bank upon approval by the regulatory authorities.

3.1.8 ESG Information

The Bank continued to improve the sustainability governance structure that consists of the shareholders' meeting, the Board of Directors and the senior management, forming a sustainability management system that features "top-down leadership, innovation-driven approach, mutual promotion, and coordinated operation". During the reporting period, the Bank's MSCI ESG rating was upgraded by two notches to "AAA", the highest rating globally. Meanwhile, the Bank was awarded the "Best Practice Case for Sustainable Development of Listed Companies" by China Association for Public Companies.

3.1.8.1 *Duty Performance of the Board of Directors*

The Bank's sustainable development work is supervised and guided by the Board of Directors. The Strategic and Sustainable Development Committee of the Board of Directors is responsible for coordinating and promoting the building of the Bank's ESG system, reviewing ESG-related reports, implementing the tasks relevant to "Five Priorities" in finance, and advancing other ESG-related work pursuant to regulatory requirements. Other special committees of the Board of Directors jointly advance the ESG-related management according to their respective responsibilities.

Special committee of the Board of Directors	Performance of Duties
Strategic and Sustainable Development Committee	During the reporting period, the committee reviewed and approved the 2024 sustainability report, the 2024 profit distribution plan, the interim profit distribution plan for 2025, and valuation enhancement plan among other proposals. It listened to reports on the implementation of the plan of 2024 and work related to inclusive finance. It held in-depth discussions about sustainability-related issues and promoted the deeper integration of the philosophy of sustainable development into the Bank's strategic decision-making.

Special committee of the Board of Directors	Performance of Duties
Risk Management Committee	During the reporting period, the committee reviewed and approved the Bank's 2025 risk appetite statement, half year and quarterly comprehensive risk management reports, comprehensive risk management policies and other proposals. It listened to the report on information technology risk management in 2024, the report on reputational risk management in 2024, etc. The committee completed the improvement of risk appetites, incorporated climate-related risks into the comprehensive risk management system, ensuring that climate risks and other ESG indicators are commensurate with the set risk appetites of the Board of Directors, and put forward recommendations for improvement in areas such as strengthening information technology governance, so as to continuously reinforce the Bank's information security safeguards.
Audit Committee	During the reporting period, the committee reviewed and approved the proposals on internal control assessment and appointment of the accounting firm, among others. It listened to reports on internal control & compliance and anti-money laundering in 2024 and the first half of 2025, the business plan for 2025, the rectification of problems found in audits in 2024, etc. The committee fully performed its oversight responsibility, pushed forward the enhancement of internal control, and continued to make corporate governance more standardized.
Related Party Transactions Control Committee	During the reporting period, the committee reviewed and approved proposals concerning related party transactions, and full consideration was given to the compliance and fairness of those related party transactions to effectively safeguard the legitimate rights and interests of stakeholders.
Nomination and Remuneration Committee	During the reporting period, the committee reviewed and approved the proposals on nomination of candidates for directors, appointment of senior management members, the employee remuneration settlement plan for 2024, etc. It put forward suggestions on the selection and appointment of directors and senior management members, and continuously promoted improvements in the professionalism and diversity of the composition of the Board of Directors and the senior management.
Consumer Rights Protection Committee	During the reporting period, the committee reviewed and approved the Bank's consumer rights protection work summary for 2024 and work plan for 2025, the report on the issues identified in the 2024 special audit for consumer rights protection, as well as the subsequent rectification of these issues, among other proposals. It supervised and guided the review and operating mechanisms for consumer rights protection and the efforts to reduce complaints of the Bank, among other work, consistently improving the quality and efficiency of consumer rights protection.

3.1.8.2 *Duty Performance of the Board of Supervisors*

During its term of office, the Board of Supervisors, in accordance with applicable laws and regulations, regulatory requirements and the Bank's actual circumstances, conducted supervision across six key areas: strategy, finance and shareholding, internal control and compliance, risk management, performance evaluation and information disclosure. Its oversight covered a number of key ESG-related matters, including internal control and compliance, related party transactions, anti-money laundering, consumer rights protection, evaluation of duty performance by directors, supervisors and senior management members and social responsibility. During the reporting period, the Board of Supervisors of the Bank reviewed proposals regarding the Bank's 2024 annual report, 2024 sustainability report, 2025 interim report, etc. It focused on the performance of duties of the Board of Directors and the senior management in serving the real economy, consumer rights protection, IT governance and other aspects, and put forward targeted opinions and suggestions.

In terms of duty performance evaluation, during the reporting period, the Board of Supervisors conducted the 2024 duty performance evaluation on the Board of Directors, the senior management and their members, which focused on whether the directors and senior management members could follow high-standard code of professional ethics, and have good ethics, behaviors, reputation and compliance records; perform their duties independently, promote fair treatment of all shareholders of the Bank, and protect the legal rights and interests of stakeholders; actively advance "Five Priorities" in finance and effectively fulfill social responsibilities; and duly fulfill their responsibilities in consumer rights protection, risk management and compliant operations, among other areas. The results of the performance evaluation were directly linked to the remuneration of independent directors, external supervisors and senior management members.

3.1.8.3 *Duty Performance of Senior Management and Subordinate Institutions*

The Bank has established the Working Group on Market Value and ESG Management, led by a vice president of the Bank, to coordinate and advance market value and ESG management initiatives across the Bank. In addition, it has set up a number of deliberative bodies relating to ESG matters, including the Risk and Internal Control Committee, the Internal Control and Compliance Management Committee, the Consumer Rights Protection Committee of the Head Office, the Information Technology Committee, the Credit Approval Committee of the Head Office, the Anti-Money Laundering (AML) Work Leading Group, the Inclusive Finance & Rural Revitalization Leading Group, and the Green Finance Leading Group. These bodies are responsible for formulating development plans for ESG-related matters, overseeing daily management, and supervising ESG risk management activities in the course of business operations. For further details of the relevant performance of duties, please refer to the *2025 Sustainability Report of China CITIC Bank Corporation Limited*.

3.1.9 Remunerations of Directors, Supervisors and Senior Management Members

The Bank formulated remuneration rules for directors and supervisors, and clarified the remuneration standards for directors and supervisors, which were implemented upon consideration and approval by the shareholders' meeting. It also established a deferred payment and clawback mechanism for performance-based remuneration, which applies to senior management members as well as directors and supervisors receiving performance-based remuneration from the Bank. Remuneration of directors of the Bank shall be drawn up by the Nomination and Remuneration Committee of the

Board of Directors, and approved by the shareholders' meeting after being passed by the Board of Directors. Remuneration of supervisors during its term of office shall be drawn up by the Nomination Committee of the Board of Supervisors, and approved by the shareholders' meeting after being passed by the Board of Supervisors. Remuneration of senior management members shall be drawn up by the Nomination and Remuneration Committee of the Board of Directors and submitted to the Board of Directors for approval. The directors, supervisors and senior management members shall not participate in the process of determining their own remuneration. Independent directors shall give objective, impartial and independent opinions on the remuneration of directors and senior management members. Supervisors on the Board of Supervisors during their term of office attended the meetings of the Board of Directors and the Nomination and Remuneration Committee of the Board of Directors as non-voting delegates, and supervised the soundness and reasonableness of the remuneration plan for directors and senior management members.

The Bank conducted performance evaluation of senior management members from various perspectives, including implementation of strategic development planning and fulfillment of annual business targets. The Board of Directors of the Bank assessed the alignment between the leadership capabilities, performance of senior management members and the objectives and requirements of their respective positions. During the reporting period, the Board of Supervisors of the Bank conducted an annual performance evaluation of directors and supervisors on their faithfulness, diligence, professional competence, independence and ethical standards, and compliance. It also conducted routine supervision over the duty performance of senior management members, as well as an annual performance evaluation of senior management members with reference to duty performance reports, duty performance interviews and score lists, and reported to the shareholders' meeting and regulators.

The Bank offers remunerations to directors, supervisors and senior management members who are also employees of the Bank corresponding to their positions, and the remunerations include salary, bonus, allowance and subsidy, employee welfare and social insurance contributions, housing provident fund and annuity. The remuneration of independent directors and external supervisors consists of three parts, which are basic remuneration, floating remuneration and allowance, and shall be decided according to the *Proposal Regarding Adjustments to the Director Remuneration Policy of the 7th Session of the Board of Directors* approved at the second extraordinary general meeting of 2025 of the Bank and the *Proposal Regarding the Supervisor Remuneration Policy of the 7th Session of the Board of Supervisors* approved at the 2023 annual general meeting. The Bank does not pay any salary or allowance to any other directors or supervisors. For policies on allowance for independent directors and external supervisors of the Bank, please refer to the *Meeting Materials for the Second Extraordinary General Meeting of 2025, Third A Shareholders Class Meeting of 2025 and Third H Share Class Meeting of 2025 of China CITIC Bank Corporation Limited* published by the Bank on 6 August 2025 on the official websites of the SSE (www.sse.com.cn), HKEXnews (www.hkexnews.hk) and the Bank (www.citicbank.com), as well as the *Meeting Materials for the 2023 Annual General Meeting, Second A Shareholders Class Meeting of 2024 and Second H Shareholders Class Meeting of 2024 of China CITIC Bank Corporation Limited* published by the Bank on 1 May 2024 on the official websites of the SSE (www.sse.com.cn), HKEXnews (www.hkexnews.hk) and the Bank (www.citicbank.com).

Pursuant to relevant PRC laws and regulations, the Bank has joined various mandatory retirement schemes as set out in PRC laws and regulations for all employees (including the executive directors, supervisors and senior management members who are also employees of the Bank). Pre-tax remunerations paid to the directors, supervisors and senior management members (both incumbent and non-incumbent) who received remunerations from the Bank were RMB25.2541 million in total for the reporting period. As at the end of the reporting period, the Bank had not provided any share incentives to directors, supervisors or senior management members.

The 2024 annual report of the Bank disclosed the annual remunerations of directors, supervisors and senior management members. Upon assessment and confirmation by competent authorities, the remaining portion of the 2024 remunerations of independent directors and supervisors is hereby disclosed as follows:

Name	**Title**	**Remaining portion of 2024 remunerations before tax (RMB10,000)**
Liu Tsz Bun Bennett	Independent Non-executive Director	10.00
Zhou Bowen	Independent Non-executive Director	10.00
Wang Huacheng	Independent Non-executive Director	10.00
Song Fangxiu	Independent Non-executive Director	10.00
Wei Guobin	Then External Supervisor	10.00
Sun Qixiang	Then External Supervisor	10.00
Liu Guoling	Then External Supervisor	9.86

3.1.10 Interests of Directors and Supervisors in Material Contracts, Transactions or Arrangements

During the reporting period, neither the Bank, its holding companies, any of its subsidiaries nor fellow subsidiaries entered into any material contract, transaction or arrangement in relation to the business of the Bank in which any director, supervisor or entity related to directors or supervisors had material interests, whether directly or indirectly.

3.1.11 Service Contracts of Directors and Supervisors

None of the directors or supervisors of the Bank concluded with the Bank or any of the Bank's subsidiaries any service contract that may not be terminated within one year as of the entry into effect of the contract or that may only be terminated with the payment of other compensations in addition to the mandatory compensations.

3.1.12 Relationships among Directors, Supervisors and Senior Management Members

There was no material financial, business, family or other relationship among directors, supervisors or senior management members of the Bank.

3.1.13 Interests of Directors and Supervisors in Businesses Competing with the Bank

None of the directors or supervisors of the Bank had any interest in businesses that directly or indirectly competed or may compete with the Bank.

3.1.14 Liability Insurance for Directors, Supervisors and Senior Management Members

In 2025, the Bank bought liability insurance for all of its directors, supervisors and senior management members. In 2025, there was no permitted indemnity provision, whether previously or currently in force, for the benefit of the Bank's directors, supervisors or senior management.

3.1.15 Chairman and President

The Bank set separate positions for its Chairman and President. During the reporting period, Mr. Fang Heying was Chairman and executive director of the Bank, responsible for presiding over the shareholders' meeting, convening and presiding over meetings of the Board of Directors and examining the implementation of Board resolutions and other relevant matters. Mr. Liu Cheng and Mr. Lu Wei successively served as executive director and President of the Bank, performing the duties including implementing Board resolutions and presiding over the Bank's business operation and management and other relevant matters. The division of duties between the Chairman and President of the Bank was clearly defined and in compliance with the Hong Kong Listing Rules.

On 30 December 2025, due to change of work arrangements, Mr. Lu Wei resigned from the position of the President of the Bank. Mr. Lu Wei's resignation took effect on 30 December 2025. On the same day, the Board of Directors of the Bank reviewed and approved relevant proposal, appointing Mr. Fang Heying to perform the duties of the President of the Bank on an acting basis from the effective date of Mr. Lu Wei's resignation of the President of the Bank.

3.1.16 Amendments to the Articles of Association

During the reporting period, in accordance with applicable laws, regulations and regulatory requirements and in light of its actual circumstances, the Bank specified in its Articles of Association the dissolution of the Board of Supervisors and the transfer of its duties to the Audit Committee under the Board of Directors. It also adjusted the respective functions and powers of the shareholders' meeting, the Board of Directors and directors, introduced employee directors to the Board of Directors, refined the relevant provisions concerning independent directors, adjusted the composition of the special committees under the Board of Directors, and added new provisions relating to compliance management of financial institutions. The proposal for the amendments to the Articles of Association was reviewed and approved at the Bank's second extraordinary general meeting of 2025, third A shareholders class meeting of 2025 and the third H share class meeting of 2025, held on 26 August 2025, and the amended Articles of Association was approved by the NFRA and took effect in December 2025.

Please refer to the relevant announcements published by the Bank on the official websites of SSE (www.sse.com.cn), HKEXnews (www.hkexnews.hk) and the Bank (www.citicbank.com) for relevant details about the amendments to the Articles of Association.

3.1.17 Implementation of Share Incentive Scheme, Employee Stock Ownership Plan or Other Employee Incentive Measures during the Reporting Period

The Bank did not have any share incentive scheme, employee stock ownership plan or other employee incentive measures in effect as at the end of the reporting period.

3.1.18 Company Secretaries as per the Hong Kong Listing Rules

As at the disclosure date of this report, the Bank engaged, externally, Ms. Cheung Yuet Fan (FCG, HKFCG) as the joint company secretary of the Bank as per the Hong Kong Listing Rules; and the main contact person of Ms. Cheung Yuet Fan within the Bank was Ms. Zhang Qing, the Board secretary and the joint company secretary of the Bank. The contact information of Ms. Zhang Qing is Tel: +86-10-66638188, Fax: +86-10-65559255.

During the reporting period, Ms. Cheung Yuet Fan and Ms. Zhang Qing both received more than 15 hours' training, respectively, which met the relevant regulatory requirements of SEHK.

3.1.19 Independent Non-Executive Directors' Statement on Undertakings Made by CITIC Group and CIFH under the Non-Competition Deed

CITIC Group had transferred its 70.32% of equity interest in CIFH to the Bank on 23 October 2009, thus releasing CIFH from all obligations under the *Non-Competition Deed*.

The independent non-executive directors of the Bank came to a conclusion on the non-competition undertakings of CITIC Group, holding that CITIC Group honored its non-competition undertakings during the reporting period. CITIC Group produced a statement on the performance of its non-competition undertakings under the Non-Competition Deed it entered into with the Bank on 13 March 2007.

3.1.20 *Development and Review of Corporate Governance Policies and Practices*

The Board of Directors of the Bank attached great importance to the establishment and improvement of internal rules and regulations on corporate governance. During the reporting period, in light of relevant regulatory requirements and its actual situations, the Bank revised its corporate governance policies including the *Rules of Procedure for the Shareholders' General Meeting of China CITIC Bank Corporation Limited*, the *Rules of Procedure for the Board of Directors of China CITIC Bank Corporation Limited*, the *Rules of Procedure for the Strategic and Sustainable Development Committee of the Board of Directors of China CITIC Bank Corporation Limited*, the *Rules of Procedure for the Risk Management Committee of the Board of Directors of China CITIC Bank Corporation Limited*, the *Rules of Procedure for the Audit Committee of the Board of Directors of China CITIC Bank Corporation Limited*, the *Rules of Procedure for the Nomination and Remuneration Committee of the Board of Directors of China CITIC Bank Corporation Limited*, and the *Rules of Procedure for the Consumer Rights Protection Committee of the Board of Directors of China CITIC Bank Corporation Limited*. Meanwhile, it formulated the *Rules of Procedure for the Related Party Transactions Control Committee of the Board of Directors of China CITIC Bank Corporation Limited*. By doing so, the Bank consolidated the institutional foundation for corporate governance, and improved the operating efficiency of the shareholders' meeting, the Board of Directors and its special committees, providing a solid basis for advancing science-based corporate governance and ensuring the compliant and prudent duty performance by relevant governance entities.

3.1.21 *Review and Supervision of Training and Continuing Professional Development of Directors and Senior Management Members*

The Board of Directors kept urging the directors and senior management members to participate in relevant training to promote their professional development and enhance their overall quality and performance of duties.

The table below sets out the participation of the Bank's directors and board secretary in the training provided by relevant institutions during the reporting period:

Name	Title	Trainer	Training Model	Training Duration (days)
Fang Heying	Chairman Executive Director	CSRC Beijing Bureau, China CITIC Bank	Online training Centralized lecture	1.5
Wei Qiang	Non-executive Director	SSE, China CITIC Bank	Online training Centralized lecture	4.5
Hu Gang	Executive Director Vice President	CSRC Beijing Bureau, SSE, China CITIC Bank	Online training Centralized lecture	4
Wang Yankang	Non-executive Director	China CITIC Bank	Centralized lecture	0.5
Fu Yamin	Non-executive Director	CSRC Beijing Bureau, China CITIC Bank	Online training Centralized lecture	2
Liu Tsz Bun Bennett	Independent Non-executive Director	China CITIC Bank	Centralized lecture	0.5
Zhou Bowen	Independent Non-executive Director	SSE, China CITIC Bank	Online training Centralized lecture	2
Wang Huacheng	Independent Non-executive Director	SSE, China CITIC Bank	Online training Centralized lecture	2
Song Fangxiu	Independent Non-executive Director	CSRC Beijing Bureau, SSE, China CITIC Bank	Online training Centralized lecture	3
Zhang Qing	Board Secretary	CSRC Beijing Bureau, SSE, China CITIC Bank	Online training Centralized lecture	5
Non-incumbent directors				
Lu Wei	Executive Director, President	CSRC Beijing Bureau	Online training	1
Huang Fang	Non-executive, Director	CSRC Beijing Bureau	Online training	1

As per relevant regulatory requirements, the Bank compiled the *Reference Letters for Directors and Supervisors* on both regular and non-regular basis to help the directors and supervisors gain a comprehensive understanding of the business developments, strategy implementation, risk control, internal control and compliance of the Bank. The directors of the Bank reviewed the reports and other written materials provided to them regarding the latest developments in the banking industry in general and the Bank's business in particular, as well as relevant legal and regulatory requirements. Below is a summary of the directors' continuing professional development during the reporting period:

Name	Training on business, directors' duties and corporate governance	Monthly updates and other written materials on the latest developments in the Bank's business operation and the banking industry, as well as relevant legal and regulatory requirements
Fang Heying *(Chairman, executive director)*	✓	✓
Wei Qiang *(Non-executive director)*	✓	✓
Hu Gang *(Executive director, vice president)*	✓	✓
Wang Yankang *(Non-executive director)*	✓	✓
Fu Yamin *(Non-executive director)*	✓	✓
Liu Tsz Bun Bennett *(Independent non-executive director)*	✓	✓
Zhou Bowen *(Independent non-executive director)*	✓	✓
Wang Huacheng *(Independent non-executive director)*	✓	✓
Song Fangxiu *(Independent non-executive director)*	✓	✓
Non-incumbent members		
Cao Guoqiang *(Non-executive director)*	✓	✓
Liu Cheng *(Executive director and President)*	✓	✓
Lu Wei *(Executive director and President)*	✓	✓
Huang Fang *(Non-executive director)*	✓	✓

3.1.22 Compliance with the Corporate Governance Code under the Hong Kong Listing Rules

During the reporting period, save as disclosed in this report in respect of the Chairman performing the duties of the President on an acting basis, the Bank was in compliance with all code provisions as well as applicable provisions of the *Corporate Governance Code* set out in Appendix C1 to the Hong Kong Listing Rules.

According to Article C.2.1, Part II of the *Corporate Governance Code* set out in Appendix C1, Chairman and Chief Executive Officer shall be independent and shall not be the same person. On 30 December 2025, due to change of work arrangements, Mr. Lu Wei resigned from his position as the Bank's President and Mr. Lu Wei's resignation took effect on 30 December 2025. At the same day, the Board of Directors considered and approved relevant proposal appointing Mr. Fang Heying to perform the duties of the President on an acting basis. The Bank will actively advance the work on appointing a new President to comply with relevant requirements Article C.2.1 of the *Corporate Governance Code.*

3.1.23 Internal Control Assessment

The purpose of the Bank's internal control is to reasonably ensure the lawfulness and compliance of operations and management, the safety of assets, and the truthfulness and completeness of financial statements and other relevant information, improve business efficiency and effectiveness, and promote the realization of the development strategy. The Board of Directors authorized the internal audit department to audit and assess the effectiveness of the internal control design and operation of the Bank in accordance with relevant requirements such as the *Basic Standards for Enterprise Internal Control, Guidelines for Assessment of Enterprise Internal Control* and *Guidelines for Internal Control of Commercial Banks*, and in combination with the Bank's rules and assessment measures on internal control. The internal audit department produced the *2025 Internal Control Assessment Report of China CITIC Bank Corporation Limited* (hereinafter referred to as "the Internal Control Assessment Report"), holding that the Bank's internal control was valid as at 31 December 2025 (the base date). In the course of the internal control auditing and assessment, the Bank was not aware of any material defects in its internal control. The Audit Committee of the Board of Directors of the Bank reviewed the Internal Control Assessment Report and had no objections to the content of the report.

Please refer to the relevant announcements published on the official websites of the SSE (www.sse.com.cn), HKEXnews (www.hkexnews.hk) and the Bank (www.citicbank.com) on the disclosure date of this report for the Internal Control Assessment Report (including the statements of the Board of Directors on its responsibilities in relation to internal control).

3.1.24 Formulation and Implementation of Internal Control Policies

The Bank attached great importance to establishing a sound internal control governance framework characterized by a clear division of responsibilities, well-defined duties, effective control and robust oversight. The Board of Directors, the senior management and their special committees diligently performed their responsibilities in internal control management and supervision, overseeing the development of the internal control system, assessing the compliance and effectiveness of major operational and management activities, and promoting the establishment and implementation of the three lines of defense for internal control, thereby continuously enhancing internal control management.

During the reporting period, the Bank continuously optimized its internal control management mechanisms, refined relevant governance policies and management processes, strengthened control over weak links, and advanced improvements in the quality and efficiency of internal control management. The Bank deepened the "inspection-rectification-evaluation"[66] integrated governance mechanism on key areas such as serving the real economy, addressing root causes of non-performing loans, and refining cost management and control. It carried out targeted rectification of irregularities at operating institutions, strengthened the effectiveness of policy implementation, and enhanced risk management capabilities to leverage the role of compliance supervision. The Bank systematically strengthened conduct management and case prevention by formulating the 2025 Work Plan for Case Prevention and Conduct Management of China CITIC Bank, deploying and implementing three measures in each of the three areas[67]. It organized investigations into cases in foundational areas to

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66 Referring to the "inspection-rectification-evaluation" internal control and compliance governance mechanism.

67 Referring to systematization, scenario-based management and digital and intelligent management; focus on key regions, key areas and key personnel; and strengthening of tools, teams and disciplinary actions.

eliminate potential risks. The Bank completed revisions to two key rules, namely the basic rules on institutional management and the management measures on internalization of external regulations, further optimized the hierarchy of rules and strengthened full-lifecycle control, so as to continuously enhance the applicability and soundness of the institutional framework. The Bank improved and optimized its accountability framework by further refining the "1+3+N"[68] accountability system. It revised five accountability-related rules, covering accountability management, criminal cases and corporate credit, among others, further standardized accountability criteria and implementation procedures, clarified circumstances for accountability, and promoted duty performance and diligence of all employees across the Bank.

3.1.25 Internal Audit

The Bank has established an independent and vertical system for internal audit, with the internal audit departments carrying out work under the leadership of the Board of Directors, responsible and reporting to the Board of Directors. The Board of Directors assumes ultimate responsibility for the independence and effectiveness of the internal audit and provides necessary support to ensure an independent and objective internal audit. The Bank's internal audit departments consist of the Head Office's Audit Department and eight regional audit centers under its direct management, which perform the duty of audit and supervision and are independent from business operations, risk management, and internal control and compliance.

During the reporting period, the Bank, guided by the *Five-Year Plan for the Development of Audit Work (2021-2025)* and aligning its internal audit with development strategy and central tasks, steadily promoted audits focusing on quality, technology, talent and reform, accelerated the digital transformation of its audit function, and actively promoted continuous auditing. Through auditing, it coordinated the identification of problems and supervision of rectification work. Placing equal importance on supervision and services, the Bank continued to refine the auditing service system, consolidate the foundation of audit management, and regularly advance self-improvement and capacity building, with the quality and efficiency of audit supervision constantly enhanced.

During the reporting period, guided by a risk and value-oriented approach and anchored to the objectives of "strengthening internal control, preventing risks, reducing costs and enhancing efficiency", the Bank concentrated on implementing national policies and regulatory priorities. It conducted special audits on corporate real estate loans, Internet loans, consumer rights protection, case prevention management and off-balance sheet businesses. Focusing on corporate governance, strategy implementation and key business areas, the Bank also carried out special audits on capital management, operational risk, consolidated management and information technology. It continued to strengthen oversight over key institutions, key areas and key positions, enhanced dynamic monitoring of fraudulent activities in areas such as centralized procurement and disposal of non-performing assets, and implemented full-process audit supervision over large-amount problematic loans. The Bank further promoted systematic and root-cause rectification of issues identified through audit at a high level, continuously deepened the application of audit results, advanced the establishment of a supervision-audit coordination mechanism, strengthened joint prevention and control across the three lines of defense, and supported high-quality and sustainable development across the Bank.

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[68] Referring to the accountability system featuring one set of fundamental provisions, three specialized rules and multiple business line-specific rules.

3.1.26 External Audit of Internal Control

During the reporting period, the Bank engaged KPMG Huazhen LLP to audit the effectiveness of its internal control over financial reporting as at 31 December 2025 in accordance with the relevant requirements of the *Guidelines on Audit of Enterprise Internal Control* and the practicing standards for PRC certified public accountants. Based on the audit findings, KPMG Huazhen LLP presented to the Bank its audit report on internal control. For details thereof, please refer to the relevant announcement published by the Bank on the official websites of the SSE (www.sse.com.cn), HKEXnews (www.hkexnews.hk) and the Bank (www.citicbank.com) on the disclosure date of the report.

In its audit opinion on internal control over financial reporting of the Bank, KPMG Huazhen LLP was of the view that the Bank maintained effective internal control over financial reporting in all material aspects in accordance with the *Basic Standards for Enterprise Internal Control* and relevant regulations as at 31 December 2025.

3.1.27 Auditors and Their Remunerations

With regard to the auditors engaged by the Bank during the reporting period and their remunerations, please refer to Chapter 4 "Report of the Board of Directors – Engagement of Auditors" of this report for details thereof.

KPMG was the overseas auditor engaged by the Bank. Its statement of reporting obligation in respect of the consolidated financial statements is set out in Chapter 6 "Independent Auditor's Report and Financial Statements" of this report.

3.1.28 Responsibility Statement of the Board of Directors on Risk Management, Internal Control and Compliance Management

The Board of Directors bears the ultimate responsibility for the Bank's risk management, internal control and compliance management and is responsible for reviewing the effectiveness of the regulations thereon. Considering that the above-mentioned risk management and internal control systems are designed to manage rather than eliminate the risk of failing to achieve business objectives, the Board of Directors can only provide reasonable instead of absolute assurance that the above-mentioned systems and internal control can prevent any material misstatement or loss. For details on the Bank's risk management, please refer to Chapter 2 "Management Discussion and Analysis – Risk Management" of this report.

3.1.29 Management and Control over Subsidiaries

During the reporting period, in accordance with regulatory requirements, the Bank further strengthened its consolidated and look-through management of subsidiaries and continued to deepen a subsidiary management framework that integrated investment, management and services. It enhanced top-level design by reviewing and revising the fundamental rules on consolidated management, optimizing the management framework for consolidation elements. The Bank formulated a series of measures to further strengthen consolidated management, promoting substantive, in-depth and refined subsidiary management and reinforcing management foundation. It formulated the rules of procedure for deliberation of proposals by dispatched directors, clarifying the responsibilities of relevant parties and standardizing the deliberation of proposals by the Bank's dispatched directors. It further advanced routine consolidated management practices in depth. Centered on institutional management, it established a dedicated consolidated management mechanism for each subsidiary, strengthened horizontal coordination and vertical look-through management, and steadily advanced key issues in management of subsidiaries, thereby improving the quality and efficiency of consolidated management. During the reporting period, the Bank also pressed ahead with work dedicated to fulfilling its principal responsibilities, advancing core businesses and streamlining operations. It intensified efforts to reduce inefficient and redundant institutions, proactively strengthened the long-term management mechanism for equity investments, and developed a clearer and flatter equity framework for subsidiaries. It focused more on principal responsibilities and core businesses, allocated resources reasonably, and enhanced look-through management. No new subsidiaries were purchased during the reporting period.

3.1.30 Information on Staff and Affiliates

3.1.30.1 Number and Mix of Employees, Number of Retirees and Affiliates

As at the end of the reporting period, the Group had 67,674 employees[69], of which 14,543 served as business managerial function, 48,834 as business function and 4,297 as supporting function, accounting for 21.49%, 72.16% and 6.35% respectively. 21,279 employees, 31.44% of the total, held post-graduate degrees or above; 43,832 employees, 64.77% of the total, held bachelor's degrees; and 2,563 employees, 3.79% of the total, with junior college education or below. The Group bore fees for 3,579 retirees.

The regional distribution of the Group's employees is as follows: 18,626 in the Bohai Rim, 13,398 in the Yangtze River Delta, 13,262 in the Pearl River Delta and Western Straits, 8,586 in the Central China, 8,099 in the Western China, 2,409 in the Northeastern China, and 3,294 overseas.

The Group attached great importance to the diversity of its employees, and as at the end of the reporting period, male and female employees (senior management members included) accounted for 45% and 55% of the total, respectively. The Group is of the view that the diversity at the level of employees (senior management included) has been achieved. There is currently no other plan or measurable objective regarding gender diversity.

[69] Including all kinds of staff of the Bank, its subsidiaries and joint ventures.

The Bank's Affiliates List (subsidiaries not included)

Division of the region	Name of the affiliate	Business address/Postal code	Number of outlets	Total assets (RMB million)
Headquarters	Head Office	Address: 6-30/F and 32-42/F, Building No. 1, 10 Guanghua Road, Chaoyang District, Beijing Postal Code: 100020	1	3,426,353
	Credit Card Center	Address: CITIC Bank Building, No. 121 Fuhua 1st Road, Futian Street, Futian District, Shenzhen, Guangdong Province Postal Code: 518048	1	457,592
Bohai Rim	Beijing Branch	Address: Building C, 1/F Building D, 1/F Building E and Room A 1/F Building F of Fuhua Building, No. 8 Chaoyangmen North Street, Dongcheng District, Beijing Postal Code: 100027	84	1,462,144
	Tianjin Branch	Address: A5 No. 162 Zhangzizhong Road, Heping District, Tianjin Postal Code: 300020	38	100,027
	Shijiazhuang Branch	Address: CITIC Tower, No. 10 Ziqiang Road, Qiaoxi District, Shijiazhuang, Hebei Province Postal Code: 050000	65	162,794
	Ji'nan Branch	Address: CITIC Plaza, No. 150 Leyuan Street, Jinan, Shandong Province Postal Code: 250002	51	144,740
	Qingdao Branch	Address:No. 22 Hong Kong Middle Road, Qingdao, Shandong Province Postal Code: 266071	53	144,948
	Dalian Branch	Address: No. 29 Renmin Road, Zhongshan District, Dalian, Liaoning Province Postal Code: 116001	23	45,867

Division of the region	Name of the affiliate	Business address/Postal code	Number of outlets	Total assets (RMB million)
Yangtze River Delta	Shanghai Branch	Address: B1, Room 101-1 1/F, 201-2 2/F, 302-4 3/F, 4F, 9-15/F, No. 112 & 138 Expo Road, Pudong New Area, Shanghai Postal Code: 200126	62	639,066
	Nanjing Branch	Address: CITIC Tower, No. 348, Zhongshan Road, Nanjing, Jiangsu Province Postal Code: 210008	85	526,705
	Suzhou Branch	Address: West Building, Business Center, Financial Harbor, No. 266 East Suzhou Avenue, Suzhou Industrial Park, Suzhou, Jiangsu Province Postal Code: 215028	29	204,449
	Hangzhou Branch	Address: No. 9 Jiefang East Road, Shangcheng District, Hangzhou, Zhejiang Province Postal Code: 310016	99	701,003
	Ningbo Branch	Address: CITIC Tower, No. 36, Zhenming Road, Haishu District, Ningbo, Zhejiang Province Postal Code: 315010	29	134,137
Pearl River Delta and Western Straits	Fuzhou Branch	Address: Hengli Financial Center, No. 6, Guanfengting Street, Gulou District, Fuzhou, Fujian Province Postal Code: 350000	54	118,782
	Xiamen Branch	Address: 334-101, 201, 301, 401, Hubin South Road, Siming District, Xiamen, Fujian Province Postal Code: 361000	18	37,715
	Guangzhou Branch	Address: CITIC Plaza, No. 233, Tianhe North Road, Tianhe District, Guangzhou, Guangdong Province Postal Code: 510613	107	495,021
	Shenzhen Branch	Address: 5-10/F, North Tower, Phase II Time Square, No.8 Third Central Road, Futian District, Shenzhen, Guangdong Province Postal Code: 518048	56	452,485
	Haikou Branch	Address: Banshan Garden, No. 1 Jinmao Middle Road, Longhua District, Haikou, Hainan Province Postal Code: 570125	11	28,719

Division of the region	Name of the affiliate	Business address/Postal code	Number of outlets	Total assets (RMB million)
Central China	Hefei Branch	Address: No. 396, Huizhou Avenue, Baohe District, Hefei, Anhui Province Postal Code: 230001	43	144,651
	Zhengzhou Branch	Address: CITIC Bank Building, No. 1 Business Inner Ring Road, Zhengdong New District, Zhengzhou, Henan Province Postal Code: 450000	85	247,202
	Wuhan Branch	Address: CITIC Tower, No. 747 Jianshe Avenue, Hankou, Wuhan, Hubei Province Postal Code: 430000	53	222,360
	Changsha Branch	Address: No. 1500 Third Section of Xiangjiang North Road, Kaifu District, Changsha, Hunan Province Postal Code: 410011	40	121,757
	Nanchang Branch	Address: Building D3, Lvdi Central Plaza, No. 998, Hongguzhong Avenue, Honggutan District, Nanchang, Jiangxi Province Postal Code: 330038	24	98,277
	Taiyuan Branch	Address: 1-17/F, Building 31, No. 65 Pingyang Road, Xiaodian District, Taiyuan, Shanxi Province Postal Code: 030006	32	74,037

Division of the region	Name of the affiliate	Business address/Postal code	Number of outlets	Total assets (RMB million)
Western China	Chongqing Branch	Address: No. 5 Jiangbeicheng West Avenue, Jiangbei District, Chongqing Postal Code: 400020	31	163,519
	Nanning Branch	Address: No. 36-1, Shuangyong Road, Qingxiu District, Nanning, Guangxi Zhuang Autonomous Region Postal Code: 530021	20	56,195
	Guiyang Branch	Address: North Second Tower, BL Zone, Guizhou Financial City, Changling North Road, Guanshanhu District, Guiyang, Guizhou Province Postal Code: 550081	15	40,928
	Hohhot Branch	Address: CITIC Tower, Ruyihe Avenue, Ruyi Development Area, Hohhot, Inner Mongolia Autonomous Region Postal Code: 010010	30	45,467
	Yinchuan Branch	Address: No. 160 Beijing Middle Road, Jinfeng District, Yinchuan, Ningxia Hui Autonomous Region Postal Code: 750002	8	19,547
	Xining Branch	Address: Building 2, Shengshida Financial Center, Wenyuan Road No.1, Chengxi District, Xining, Qinghai Province Postal Code: 810008	10	12,862
	Xi'an Branch	Address: No. 1, Middle Section of Zhuque Road, Xi'an, Shaanxi Province Postal Code: 710061	41	100,090
	Chengdu Branch	Address: La Defense Tower, No. 1480 North Section of Tianfu Avenue, High-Tech Zone, Chengdu, Sichuan Province Postal Code: 610042	46	215,269
	Urumqi Branch	Address: CITIC Bank Tower, No. 165, Xinhua North Road, Urumqi, Xinjiang Uygur Autonomous Region Postal Code: 830002	13	36,353
	Kunming Branch	Address: Fulin Square, Baoshan Street, Wuhua District, Kunming, Yunnan Province Postal Code: 650021	30	75,969
	Lanzhou Branch	Address: No. 9 Minzhu West Road, Chengguan District, Lanzhou, Gansu Province Postal Code: 730000	13	22,784
	Lhasa Branch	Address: No. 22 Jiangsu Road, Lhasa, Xizang Autonomous Region Postal Code: 850000	2	11,741

Division of the region	Name of the affiliate	Business address/Postal code	Number of outlets	Total assets (RMB million)
Northeastern China	Harbin Branch	Address: CITIC Tower, No. 236, Hongqi Avenue, Nangang District, Harbin, Heilongjiang Province Postal Code: 150000	19	34,034
	Changchun Branch	Address: No. 718, Jiangong South Road, Chaoyang District, Changchun, Jilin Province Postal Code: 130000	21	49,198
	Shenyang Branch	Address: No. 336, Daxi Road, Shenhe District, Shenyang, Liaoning Province Postal Code: 110014	44	58,758
Overseas	London Branch	5th Floor, 99 Gresham Street, London, EC2V 7NG, UK	1	23,980
	Hong Kong Branch	82 FL. International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong	1	12,967
	Sydney Representative Office	Level 27, Gateway, 1 Macquarie Place, Sydney, NSW 2000, Australia	1	–

Notes: (1) The Credit Card Center mentioned in the above table had 77 sub-centers.

(2) The "total assets" in the above table did not deduct the offset balance between affiliates.

3.1.30.2 Remuneration Policy

In accordance with the *Basic Measures on Employee Remuneration Distribution of China CITIC Bank Corporation Limited* and other relevant rules, the Bank adopted a remuneration distribution mechanism for employees with position and title system as the foundation and with performance contribution and competence demonstration as the measurement criteria. It constantly optimized the structure for internal income distribution, strictly implemented national policies, and continued to channel more remuneration resources to frontline and primary-level employees. The Bank's employee remuneration consists of basic salary and performance-based remuneration, with the former determined by employees' position and level, and the latter linked to the Bank's overall operating results and employees' personal performance and duty performance capabilities.

To refine the performance-based remuneration management system and improve the incentive and constraint mechanism, the Bank established a deferred payment and clawback mechanism for performance-based remuneration. Under this framework, more than 50% of the performance-based remuneration for middle and senior management members and more than 40% of the performance-based remuneration for personnel in key positions is subject to deferred payment for a three-year deferral period. For individuals who violate laws, regulations, or disciplinary rules, or who trigger the conditions for clawback of performance remuneration, the deferred portion of their remuneration would be subject to the Bank's applicable regulations, so as to ensure that the level and structure of employees' remunerations are consistent with risk exposure and duration.

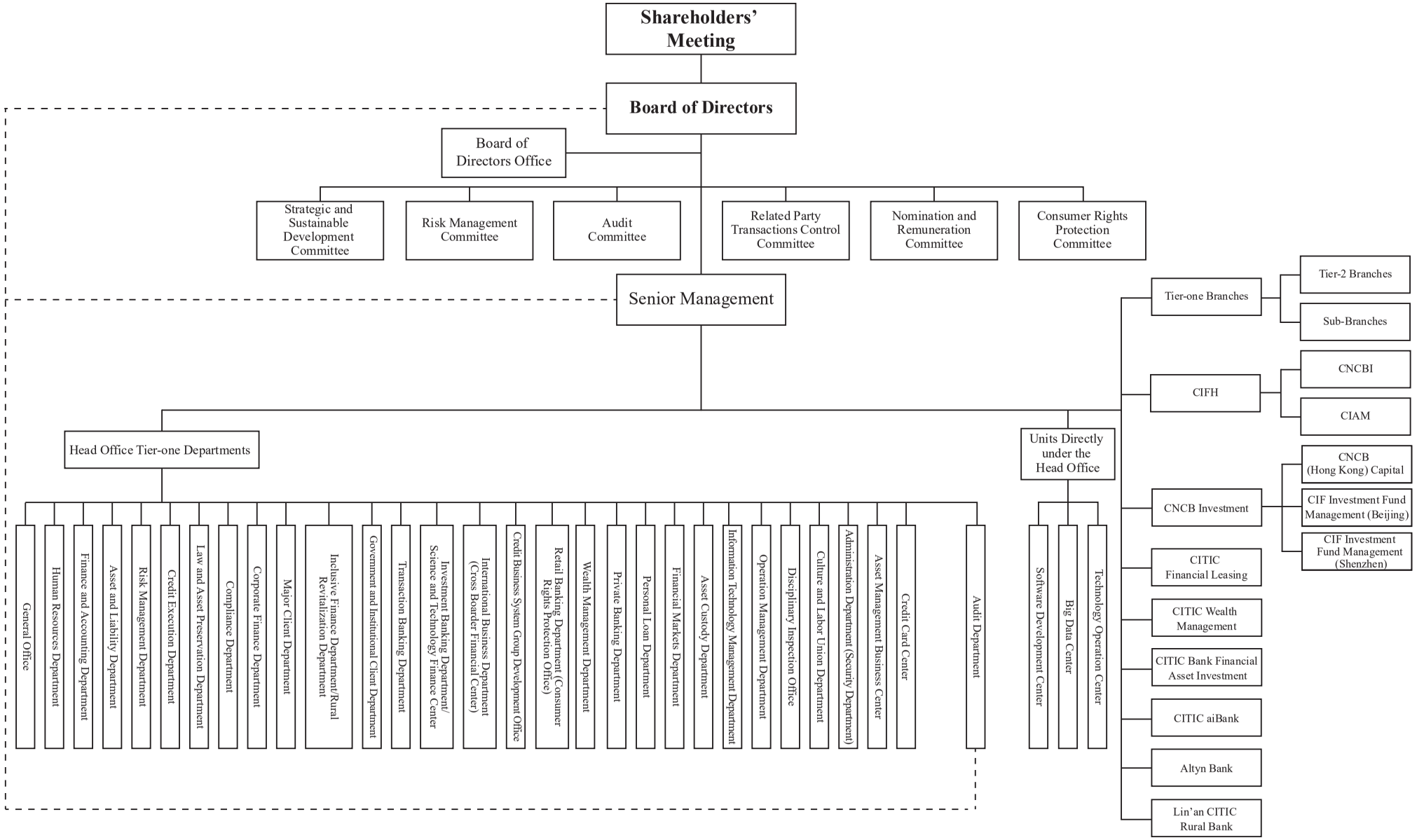
3.1.30.3 Team Building and Employee Training

Insisting on building a strong talent base, the Bank implemented a staffing mechanism centered on value creation and coordinating the quantity, quality, structure and efficiency of its workforce, so as to enhance the input-output efficiency of human capital. And the Bank prioritized meeting talent needs in strategic priority regions and key business areas, and advanced the science-based selection and training of internal talent and recruitment of external talent. In line with its overall development plan and 14th Five-Year talent development plan, the Bank systematically advanced the talent program named "Sailing a Hundred Ships", selecting and training management personnel, technical professionals, management trainees, Party-building talent and tellers across various levels.

The Bank is committed to providing diversified development platforms and abundant learning resources for its employees, supporting their capability enhancement and career development. During the reporting period, with a focus on customer acquisition and sales, products and risk control, operations and services, as well as systems and digitalization, the Bank delivered tiered and categorized business empowerment training programs to enhance the duty performance capabilities of front-line staff. It strengthened "pre-job and in-service" training for key personnel, including middle-level managers, sub-branch presidents and tier-two branch presidents, continuously improving managerial staff's strategic execution and operational management capabilities. The Bank established a "three-tiered, three-pronged"[70] digital capability training and certification system, and carried out digital capability certification programs, continuously enhancing employees' digital mindset and skill sets. The Bank enhanced the development of its internal part-time trainer pool, completing the selection and appointment of the first 100 specially engaged and certified lecturers at the Head Office level, to empower employees with training more closely aligned with practical needs. It encouraged staff to participate in professional title evaluations and external professional qualification examinations, and continued to organize position qualification certification training and examinations across the Bank, thereby empowering employees in their long-term career development.

[70] The "three tiered" refers to junior, intermediate and advanced certification levels, aimed at enhancing knowledge, improving skills, and reinforcing practical capabilities for the management personnel. The "three pronged" corresponds to the concurrent development of the information, data and intelligence-based digital transformation of the Bank, with training programs designed around the full process of data value creation.

3.1.30.4 *Organizational Chart*



3.2 Environmental Information

Closely following the national strategic orientation, the Bank has always practiced the philosophy of green development, actively tackled challenges arising from climate change, constantly refined the systems and mechanisms related to green finance, vigorously developed green finance such as green credit and green bonds, proactively explored green finance product innovation, and continuously improved the integrated services of green finance. It actively pushed forward relevant measures for green operations, advocated "green office", strengthened "carbon footprint" accounting, and facilitated the realization of "carbon peaking" and "carbon neutrality" goals. Neither the Bank nor its major subsidiaries were included in the list of enterprises that shall disclose environmental information according to relevant laws.

3.2.1 Green Finance

Green Finance	Special Column
The Bank resolutely implemented the requirements of the CPC Central Committee and regulators. It proactively acted on the development plan for green finance, comprehensively raised green development awareness, enhanced organizational support, and strengthened comprehensive service capabilities to consistently improve the quality and efficiency of green finance services. **Green management systems and mechanisms have grown increasingly sophisticated.** The Board of Directors and the senior management placed great emphasis on green finance development, incorporating green finance responsibilities into the Strategic and Sustainable Development Committee of the Board of Directors. The Bank has established a Green Finance Leading Group, headed by the President of the Bank, to coordinate the formulation and implementation of the green finance strategy. Under the leading group are two teams: the green finance management enhancement team and the green finance business promotion team, both of which continuously guide and advance the sound implementation of the *Green Finance Development Plan, the Special Action Plan for Deepening Green Finance*, etc. To further improve the management of special institutions for green finance, the Bank established a multi-tiered green operation system comprising green demonstration branches, characteristic green finance institutions and carbon-neutral outlets, with the total number of such institutions exceeding 300. **Green lending has achieved rapid growth.** As at the end of reporting period, the Bank's balance of green loans was RMB752.462 billion, representing an increase of 24.83% compared with the end of the previous years and a five-year compound annual growth rate of over 50%. The Bank disbursed RMB21.278 billion in carbon emissions reduction loans on a cumulative basis, effectively supporting decarbonization efforts across relevant sectors. The business structure has continued to optimize, with the proportion of long-term loans with maturities exceeding three years increasing to 52.37%, significantly enhancing business stability.	

Significant progress has been made steadily across all green finance businesses. During the reporting period, the Bank leveraged its "Five Pronged" green finance service system consisting of green consultation, green investment, green financing, green life and carbon management and "1+N+N" green finance product system[71] as key drivers to improve the quality and efficiency of green finance services. During the reporting period, the Bank issued RMB5.0 billion in green finance bonds and underwrote RMB26.909 billion in green bonds, representing an increase of 67.11% year on year. Meanwhile, it extended RMB35.229 billion in financial leasing to green sectors, up by 37.64% year on year. As at the end of the reporting period, the balance of proprietary green bond investment stood at RMB21.466 billion[72], up by 79.18% compared with the end of last year.

Innovative products and services have been rolled out continuously. Guided by a commitment to professionalism and innovation, the Bank created sustainable finance products with strong market demonstration effects. During the reporting period, it successfully executed the market's first syndicated loan in support of the transition of the building materials sector and issued the market's first mangrove-related low-carbon transition-linked corporate bonds. In addition, the Bank integrated both internal and external collaborative resources. Focused on carbon-intensive industries, it built a green finance service system featuring "finance + intelligence + industry", to provide customers with full-lifecycle, multi-dimensional support for their carbon peaking and carbon neutrality transition. During the reporting period, the Bank led the compilation of China's first carbon inclusive methodology for paperless financial scenarios in the banking sector. It successfully facilitated the issuance of the first batch of 234 metric tonnes of inclusive carbon emissions reduction in Shenzhen, achieving a breakthrough in transforming quantified carbon reduction into monetizable carbon assets.

Vigorous explorations have been made in carbon accounting for investment and financing activities. In April 2025, the Bank officially launched the CITIC Carbon Connect Green and Low-Carbon Service Platform. As an integrated platform that consolidates multiple carbon accounting management functions, including corporate carbon emissions management, product carbon footprint management, EU CBAM reporting management and employee carbon account management, it is available to all customers free of charge, enabling them to establish their carbon ledgers at zero cost and efficiently assess their carbon footprint. As at the end of the reporting period, the number of platform users exceeded 1,800.

71 Referring to green finance products offered by China CITIC Bank + green finance products offered by the Bank's subsidiaries + green finance products offered by CITIC Group's affiliated financial subsidiaries.

72 According to the green financial statistics of People's Bank of China.

Efforts to expand the green customer base and ecosystem have been made on a consistent basis. The Bank remained committed to providing green financial services to industrial customers in the areas such as energy conservation and carbon reduction, green and low-carbon energy transition, ecological protection, restoration and utilization. As at the end of the reporting period, the Bank extended green loans to 6,438 corporate customers, representing an increase of 765 customers or 13.48% compared with the end of the previous year. The Bank continued to deepen the development of its green ecosystem by strengthening collaboration with universities, research institutions, and industry associations to actively support the green, low-carbon transformation and sustainable development of the whole society.

Case	**Supporting the high-standard farmland development and biodiversity conservation**
	The Bank actively advanced innovative practices within the pilot zones designated for green finance reform. Its Quzhou Branch under Hangzhou Branch incorporated biodiversity conservation into its credit business and pioneered a financing model with biodiversity-related benefit rights as the pledge, thereby establishing a new pathway for supporting the green transformation of agriculture through financial services. During project implementation, the Quzhou Branch delivered two key innovations. First, it introduced an innovative risk management approach by embedding biodiversity risk management standards into the loan risk assessment process, enabling full-lifecycle management of biodiversity risk before, during and after lending. Second, it overcame data constraints. To address challenges in biodiversity data collection, the branch collaborated with regulatory authorities to establish a biodiversity risk management system, which enabled biodiversity-related risk rating and close monitoring of related information. As at the end of the reporting period, the Quzhou Branch cumulatively extended RMB220 million in loans to supporting "the high-standard farmland development and biodiversity conservation" projects, jointly building approximate 15,000 mu of high-standard farmland and benefiting 2,900 farming households. The program has effectively promoted the green upgrading and transformation of local agriculture, delivering a win-win outcome that aligns environmental protection with business development.

The Bank's green performance during the reporting period is summarized as follows:

Green product and service	Details
Green credit	As at the end of the reporting period, the Bank's outstanding green loans stood at RMB752.462 billion, representing a year-on-year increase of 24.83%. The balance of green and sustainable loans of the Bank's subsidiary, CNCBI, reached HKD19.514 billion, up by 29.29% from the end of the previous year.
Green bonds	**Issuance:** During the reporting period, the Bank issued RMB5 billion green finance bonds domestically, with the proceeds primarily allocated to energy conservation and environmental protection, clean energy, ecological conservation and green upgrades of infrastructure, among other areas. As at the end of the reporting period, the balance of the Bank's domestic green finance bonds stood at RMB45.0 billion. In addition, the Bank had USD300 million of outstanding overseas green bonds. **Underwriting:** During the reporting period, the Bank underwrote domestic green bonds totaling RMB26.909 billion, with the proceeds directed toward clean energy, green upgrades of infrastructure, and other related sectors. It successfully implemented the country's first blue Panda bond and the longest-tenor green bond in the whole market during the year. The Bank's overseas subsidiary, CNCBI and CNCB Investment, participated in the overseas underwriting of 150 green, social responsibility or sustainable bonds, with a total underwriting volume of USD44.167 billion. **Investment:** The Bank proactively captured green investment opportunities, increased its investment in green finance bonds. As at the end of the reporting period, the balance of proprietary green bonds investment, covering securities backed by green assets, green financial bonds and many other categories, stood at RMB21.466 billion, up by 79.18% compared with the end of last year.
Green deposits	During the reporting period, the Bank actively innovated its product portfolio, issuing a total of 86 structured deposit products linked to green finance bonds, raising the proceeds of RMB19 billion. These products provided investors with channels to participate in green finance investments, and effectively directed capital flows toward green industries.
Green wealth management	CITIC Wealth Management, the Bank's subsidiary, continued to expand its portfolio of green wealth management products. As at the end of the reporting period, ESG-themed wealth management products under management totaled RMB25.403 billion.

Green product and service	Details
Green leasing	CITIC Financial Leasing, the Bank's subsidiary, established a clean energy business framework encompassing wind power, solar power, hydropower, and energy storage, to actively support financing for green industries. During the reporting period, the green leasing business extension amounted to RMB35.229 billion, primarily concentrating in areas such as renewable energy generation, new energy vehicle manufacturing, energy conservation and environmental protection, and green shipping.
Green consumption	As the first bank-led personal carbon reduction account in China, the "CITIC Carbon Account" recorded a user base of 29.4402 million, up by 36.61% compared with the end of last year, achieving cumulative carbon reduction of over 210 thousand metric tonnes.

3.2.2 Green Operation

The Bank upheld the philosophy of green and low-carbon development, actively practiced national policies and requirements on energy conservation and environmental protection, and advanced various measures related to green operation. It spared no effort in internal green operation and management.

In terms of system building, the Bank continued to enhance green operation capabilities. It established and refined the system and working mechanism for green operation and management, and formulated policies and rules to reduce energy consumption in its own operation. In addition, it conducted a Bank-wide inventory of carbon emissions for 2025, actively enhanced studies related to carbon peaking and carbon neutrality management, and advanced the compilation of the action plan for carbon peaking and carbon neutrality in an orderly manner, laying a solid foundation for the Bank to achieve its carbon peaking and carbon neutrality goals.

In resource management, the Bank adopted technical means to enhance energy efficiency and reduce carbon emissions. First, it fully adopted energy-efficient lighting fixtures, projectors and other electrical equipment, while implementing timed power-saving settings and after-work power-off management for office devices. Second, leveraging an intelligent centralized control system, the Bank introduced automated management of air conditioning, lighting and other facilities at the Head Office building, which are programmed to shut down or operate at reduced capacity during non-working hours. Third, the Bank strengthened routine inspections to ensure that non-essential electrical equipment is switched off promptly. With respect to water resource management, the Bank promoted the sustainable use of rainwater. At the Shunyi campus of the Head Office, it constructed three rainwater retention and storage tanks and implemented a "collection-treatment-reuse" model, enabling harvested rainwater to be used for non-potable purposes in daily campus operations.

In the areas of green procurement and the use of equipment, consumables and furniture, the Bank focused on the source and promoted green procurement. Specifically, it prioritized the procurement of energy-efficient products, supplies made of recycled materials, and FSC/PEFC certified copy paper. Idle printing and copying equipment was reduced, while the procurement of consumables was subject to stringent control. In addition, more than 1,620 items of refurbished or repurposed furniture were put into use, substantially reducing the need for new purchases.

In paper management, in terms of paperless operation, the Bank's online meeting system fully supported the needs for virtual conferencing and livestreaming, serving a cumulative total of 430 thousand person-times during the year, significantly reducing energy consumption, travel-related carbon emissions and paper usage associated with in-person meetings. Electronic display screens were widely adopted for routine internal communications, replacing traditional printed posters. The Bank also launched an initiative titled "Cost Reduction and Efficiency Enhancement Through Paper Conservation", encouraging employees to minimize unnecessary printing. As a result, printing volume in the fourth quarter declined by 37% compared with the first quarter. In advancing paperless operation, the Bank introduced digital invoices for corporate customers, supporting the digital transition of corporate customers' invoice management. During the reporting period, 788.8 thousand electronic invoices were issued, saving approximately 2,366.4 thousand sheets of paper. During the reporting period, the Bank further expanded the use of electronic vouchers, processing 48 million over-the-counter transactions on a paperless basis and conserving approximately 96 million sheets of paper. In procurement, the Bank enhanced the electronic processing of procurement workflows by establishing a digital procurement platform, effectively reducing paper consumption.

3.2.3 Addressing Environmental (Climate) Risks

Rules and regulations

During the reporting period, the Bank formulated the *2025 Credit Policy of China CITIC Bank*, which applies to all investment and financing businesses. The policy clarifies that the Bank shall actively support energy conservation, pollution reduction, carbon reduction, green development and disaster prevention in key industries and fields, and step up support for the green economy, low-carbon economy, circular economy, climate investment and financing, biodiversity conservation and other related areas. In accordance with its *Measures for Environmental, Social and Governance (ESG) Risk Management in Credit Business of China CITIC Bank*, the Bank continued to advance the ESG risk management in credit business.

In accordance with the *Guidelines on Climate Risk Management of China CITIC Bank*, the Bank advanced its climate risk management by incorporating climate risk into its comprehensive risk management system. It specified requirements for climate risk identification, assessment, management, and reporting, systematically considered climate risk factors in the formulation of risk appetite, credit policies, and business continuity management, among other areas, and continuously strengthened the Bank's climate risk response measures.

Customer risk classification

The Bank formulated the *Measures for Environmental, Social and Governance (ESG) Risk Management in Credit Business of China CITIC Bank*, under which credit customers are classified into three categories: low risk, medium risk, and high risk based on the severity of ESG risks they face. Customers identified as having material ESG risks are subject to list-based management and are required to implement targeted risk mitigation measures.

Credit review and approval

The Bank established the *Key Indicators for Environmental, Social, and Governance (ESG) Evaluation for Credit Business of China CITIC Bank*, with a focus on enterprises' energy management, pollutant emissions, safety and quality, and equity governance, among other aspects. Evaluation results serve as one of the review factors in customer due diligence for some key sectors. As the same time, the Bank closely followed the policy and market trends in sectors such as steel, coal-fired power generation, electrolytic aluminum and cement. The Bank adopted a prudent approach toward business with enterprises with ESG risks and strictly enforced the "one-vote veto mechanism for environmental protection".

Embeddedness in credit process

At the due diligence stage, the Bank conducted an ESG risk review in accordance with the *Key Indicators for Environmental, Social, and Governance (ESG) Evaluation for Credit Business of China CITIC Bank*. Preliminary conclusions regarding a customer's ESG risk profile were incorporated into the credit due diligence report.

At the review and approval stage, the Bank examined the compliance, validity and completeness of the documents submitted and procedures completed by credit applicants, analyzed and assessed their ESG risks, and issued a formal review opinion on their ESG risk profile.

At the credit use review stage, customers' ESG risk management performance served as an important basis for approving credit use. Upon credit approval, the Bank strictly implemented the approval conditions for credit use and completed an ESG risk review for credit use application. Where material ESG risk concerns were identified during the review of a customer's credit use application, the use of credit was suspended in accordance with the contractual provisions.

At the post-lending and investment management stage, the Bank collected, identified, classified, and dynamically analyzed ESG risk information related to credit customers, assessed the impact of ESG risk on their operating performance, and made corresponding adjustments to five-category asset classification and asset impairment provisions.

Audit supervision

For green finance policy and risk compliance management, the Bank's Audit Department incorporated green finance as a key focus area in special legal entity audits, comprehensive audits and continuous audits, thereby strengthening internal controls and promoting the ongoing enhancement of the Bank's green finance management system.

3.3 Fulfillment of Social Responsibilities

The Bank has consistently regarded fulfilling its social responsibilities as the core mission of corporate development, continuously serving national strategies, safeguarding customer rights, supporting employee growth, and protecting investor interests. Committed to supporting national strategies, the Bank channeled financial resources to key areas of rural revitalization in a targeted manner. Upholding the fundamental principle of protecting consumer rights, it established a full-process consumer rights protection system. By safeguarding employee rights, the Bank achieved shared growth with its employees. Focusing on enhancing market value, it continuously improved transparency in information disclosure and strengthened communication with investors. In doing so, the Bank fulfilled its responsibilities as a state-owned financial institution.

3.3.1 Support for Rural Revitalization

During the reporting period, the Bank thoroughly implemented the decisions and plans of the CPC Central Committee and strictly implemented regulatory requirements. It studied and put into practice the experience of the "Green Rural Revival Program", adhered to the operating philosophy of "focusing on key aspects and highlighting characteristics", and constantly improved the quality and efficiency of financial services for rural revitalization, becoming the only joint-stock bank rated "excellent" for four straight years by the PBOC and the NFRA in the assessment of financial institutions in terms of their support for rural revitalization.

During the reporting period, the Bank advanced five major initiatives: protecting farmers, revitalizing agriculture, strengthening agriculture, increasing farmers' income and developing smart agriculture. It increased support for food security, rural industries, rural development, farmers' income growth, and agricultural technology, making financial services for rural revitalization more targeted. The Bank also engaged in five emerging areas: the marine economy, county economy, new quality productive forces for agriculture, agricultural supply chains, and the new farmer customer segment, cultivating new growth drivers for its rural revitalization business. In collaboration with CITIC Construction, China International Economic Consultants Co., Ltd. (CIEC), CITIC Agriculture, and other subsidiaries of the CITIC Group, the Bank jointly developed five coordinated service models that integrated "financing, intelligence, industry, construction and sales" to meet diversified funding needs of agriculture-related entities and built the new model for rural revitalization services. Guided by the "Five Policies" working mechanism, the Bank conducted research on sectors such as the seed industry and continued to incorporate rural revitalization business into the scope of support under credit policies, achieving new progress in advancing rural revitalization through financial services.

As at the end of the reporting period, the Bank had 67.8 thousand accounts of agriculture-related customers, up by 3,925 accounts compared with the beginning of the year. The balance of agriculture-related loans amounted to RMB512.894 billion, an increase of RMB66.976 billion or 15.02% from the beginning of the year. Among them, the balance of agriculture-related inclusive loans amounted to RMB48.801 billion, representing an increase of RMB7.380 billion or 17.82% compared with the beginning of the year. Loans issued to key areas such as agriculture, forestry, animal husbandry and fishery, agricultural and rural infrastructure, food security and new agricultural operation entities all recorded solid growth.

Targeted Assistance with Financial Services

The Bank resolutely fulfilled its political and social responsibilities as a state-owned financial enterprise, maintained overall stability in supporting policies, ensured that supporting efforts remain undiminished, and consistently consolidated and expanded achievements made in poverty alleviation so as to prevent large-scale relapse into poverty.

During the reporting period, the Bank actively collaborated with local bureaus of agriculture and rural affairs and other government departments to conduct field research on and assessments of targeted assistance projects. It strengthened cooperation with government compensation funds and agricultural guarantee companies to effectively align with targeted financial assistance needs. Focused on the resource endowments and distinctive industries of the regions lifted out of poverty, the Bank tailored customized financing solutions, providing policy support such as dedicated credit limit, fast-track approval channels and preferential interest rates. It also enhanced financial technology empowerment by expanding online product and service offerings. In doing so, the Bank delivered high-quality and efficient financial services to support the development of enterprises and individuals in the areas lifted out of poverty.

As at the end of the reporting period, the Bank's balance of loans for targeted assistance with financial services stood at RMB39.607 billion, an increase of RMB1.187 billion over the end of last year, and the number of customers with outstanding loans was 1,012 thousand. During the reporting period, the newly issued loans achieved a basic balance between risk and interest rates.

Diverse Assistance

During the reporting period, the Bank provided assistance in four major forms, i.e., paired assistance, assistance through education, assistance through medical services and assistance through consumption. Meanwhile, it mobilized employees to be widely engaged in public welfare activities and volunteer activities to help socially disadvantaged groups, demonstrating its image as a responsible and caring enterprise.

In terms of paired assistance, the Bank continued to carry out paired poverty alleviation in 55 villages nationwide, including Aksu City of Xinjiang, Dangchang County of Gansu Province, Lingqiu County of Shanxi Province, Huai'an County of Hebei Province and Liangshan Prefecture of Sichuan Province. Through industrial support, infrastructure construction, cultural and ecological revitalization, consumption-based assistance, etc., it provided funding, human resources and material support for rural revitalization. The Bank took part in CITIC Group's paired assistance initiative, offering support for Yuanyang County and Pingbian County of Yunnan Province, Qianjiang District of Chongqing and Shenza County of Xizang in the forms of donations, financial services, paired and joint construction, and education and training. **In terms of assistance through education**, the Bank continuously carried out the educational assistance program "China CITIC Bank • New Great Wall Senior High School Student Assistance" in 19 provinces (municipalities directly under the central government), providing financial assistance to 1,000 senior high school students from financially disadvantaged families across 20 rural schools. **In terms of assistance through medical services**, the Bank pressed ahead with the medical aid program "China CITIC Bank • Caring for Children", offering free surgical operations and rehabilitation treatment for 61 children with congenital heart disease in central and western regions, especially the most impoverished "Three Regions and Three Prefectures". **In terms of assistance through consumption**, the Bank purchased the agricultural and sideline products from the areas receiving its paired assistance and 832 counties lifted out of poverty nationwide through welfare procurement by its labor union, administrative procurement and marketing procurement. The Head Office, in collaboration with platforms including DCH Xingnong, CITIC Mall and the "CITIC Selection" of CITIC Books, established a consumption-based assistance system to support agricultural development. It organized the online promotional campaign "2025 New Year Action for Assistance through Consumption", encouraging employees and customers across the Bank to actively participate in consumption-based assistance initiatives to support agriculture.

During the reporting period, the Bank dispatched a total of 80 cadres (including 32 cadres serving as the first Party secretary stationed in villages) to villages, implemented 643 assistance programs of various types, donated RMB10,894.4 thousand, channeled aiding funds of RMB108,552.4 thousand, and purchased agricultural products worth RMB57,341.5 thousand.

Item	Progress
Overview	
Charitable funds invested (1)=(2)+(3)+(4)+(5)	RMB10,894.4 thousand
Inputs by major category	
1. Paired Assistance	
Including: Types of Assistance	Rural industries, infrastructure, education (talent), medical (health) services, care and support to people lifted out of poverty, rural governance, etc.
Number of Assistance Projects	145
Invested Amount (2)	RMB6,012.2 thousand
2. Assistance through Education	
Including: Invested Amount (3)	RMB2,946.4 thousand
Number of Students Directly Funded and Indirectly Benefited (person-times)	359,946
3. Assistance through Medical Services	
Including: Amount Input to Help Children with Congenital Heart Disease (4)	RMB1,000 thousand
Number of Children with Congenital Heart Disease Helped (person times)	61
4. Assistance through Consumption	
Including: Amount of Agricultural and Sideline Products Procured from Less Developed Areas	RMB57,341.5 thousand
5. Charity	
Including: Types of Implemented Projects	Urban and rural social welfare activities, charitable activities, emergency response and disaster relief, environmental protection, etc.
Direct Donations (5)	RMB935.8 thousand
Number of Projects Implemented	498

Employee Participation in Public Welfare Activities

The Bank continued to mobilize employees to actively participate in public welfare and charitable activities. In 2025, it hosted two sessions of the "Gathering Love, Delivering Warmth" charity donation campaign. Through charitable donations, charity sales, and charity auctions, the campaign raised over RMB80 thousand and collected 10.9 thousand items of clothing and daily necessities for students from financially disadvantaged families and people in need in the Bank's paired assistance areas. Additionally, the Bank mobilized Beijing-based units to participate in voluntary tree-planting activities, in which employees contributed RMB155.0 thousand. During the reporting period, the Youth Volunteers Association of the Bank organized 1,697 volunteer activities across diverse fields, including rural education support, elderly care, assistance for sick children and vulnerable groups, environmental protection, blood donations, charity sales and financial lectures, with a total of more than 7,000 service hours.

3.3.2 Consumer Rights Protection

Upholding the "people-centered" development philosophy, the Bank put customers in the first place when providing financial services, constantly improved the quality and efficiency of consumer rights protection, and committed itself to providing caring financial services for consumers.

During the reporting period, the Bank made ongoing efforts in capacity building for consumer rights protection, and included consumer rights protection in the list of "three priorities and one major" items of China CITIC Bank, and submitted relevant work reports to go through relevant governance decision-making processes. During the reporting period, 22 meetings on consumer rights protection were held by the Board of Directors, the Board of Supervisors and the senior management to strengthen the coordinated planning and top-level guidance on consumer rights protection on all fronts. Directors, former supervisors and senior management members listened to work reports on consumer rights protection, and made special arrangements for sales appropriateness management, complaint management, rectification of issues identified in special audits of consumer rights protection and other key areas of work. The Bank continued to improve the consumer rights protection management system. During the reporting period, it formulated and revised a number of policy documents, such as the *Management Measures for Consumer Rights Protection of China CITIC Bank* and *Product Appropriateness Management Measures of China CITIC Bank*, effectively reinforcing the Bank's "1+16+2"[73] management system for consumer rights protection.

The Bank continuously strengthened its consumer rights protection review by further refining review guidelines and examining its keyword database and its typical negative list. Meanwhile, it continued to upgrade the consumer rights protection review platform and implemented mandatory controls over proactive customer engagement systems, including the new personal loan system, intelligent outbound calling system and remote marketing system. The Bank also issued monthly circulars on Bank-wide consumer rights protection reviews, and highlighted identified issues and potential risk indicators in a timely manner. It further reinforced the integration of consumer rights protection reviews with routine operations and business innovation, ensuring closed-loop management and continuously improving the quality and efficiency of such reviews. During the reporting period, the consumer rights protection reviews covered 100% of the Bank's products and services.

[73] Including 1 programmatic document, 16 special policies and 2 rules of procedure.

During the reporting period, the Bank took an active part in the centralized education and publicity campaigns organized by regulators, including the "3.15 Financial Consumer Rights Protection Education and Publicity Campaign", "Illegal Financial Activity Prevention Publicity Month", "Financial Knowledge Popularization" and "Financial Literacy Promotion Week in September". On a cumulative basis, it carried out 12,447 activities, reaching consumers 666 million times. Focusing on key population groups of the elderly, the young, new urban residents and rural residents, the Bank continued to conduct themed education and publicity campaigns as "The Elderly Happy Learning Program", "Protection for the Future Program", "Safeguarding Happiness Program" and "Consumer Protection Outreach Campaign to County Areas". Meanwhile, it also organized campaigns on four seasons and launched four themed campaigns, "Protection in Spring", "Anti-Fraud Efforts in Summer", "Safeguard in Autumn" and "Security in Winter", ensuring year-round continuity. Leveraging its physical outlets as well as proprietary channels, including the official website, the WeChat official account and the mobile banking App, the Bank carried out ongoing financial education and awareness campaigns to effectively enhance consumers' financial literacy.

The Bank continued to digitalize and refine its complaint management capabilities. It optimized and upgraded its digital complaint analysis system and intelligent case management system, enabling streamlined complaint handling processes, multi-dimensional monitoring and analysis of complaint data, and case-by-case source-tracing for problematic work orders. In addition to a special inspection on the standardization of complaint handling procedures, the Bank further refined its dispute resolution mechanisms, including dynamic delegation of mediation authority and cross-regional authorization. It continuously improved the internal escalation procedures for complaints, satisfaction follow-up mechanisms for regulator-referred complaints, coordination mechanisms between complaint handling and dispute mediation, and emergency response mechanisms for material consumer complaints.

During the reporting period, the Bank received a total of 259,290 complaints[74] through regulator reference, the customer service hotline 95558, the Credit Card Center and other channels and the Bank handled 12,792 complaints referred by regulators[75], down by 33.77% year on year. The top three complaint categories by volume were credit card business, debit card account opening, closure and usage-related business, and personal loan business, accounting for 53.92%, 15.09% and 12.01%, respectively. Guangdong, Beijing and Henan ranked as the top three regions by complaint volume.

3.3.3 Information Security and Privacy Protection

The Bank has established a top-down governance framework for data security and privacy protection. The Board of Directors is responsible for integrating data security into corporate governance, corporate culture, and business development strategies. It oversees and evaluates the comprehensiveness, timeliness, and effectiveness of data security management, as well as the duty performance of the senior management. The senior management is responsible for approving data security management objectives and strategies, providing overall guidance for Bank-wide data security management. The Information Technology Committee under the senior management is mainly responsible for reviewing the Bank's information technology (IT) development plans, IT risk policies, and cyber and information security management objectives and strategies, determining the Bank's major IT work policies, and coordinating resolutions for major IT risk matters and material cyber and information security issues,

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74 Excluding duplicate complaints and complaints handled through the Bank's internal channels in relation to account control, credit reports, charging standards and debt settlement negotiations.

75 Referring to complaint data submitted through regulatory channels and referred to the Bank for handling, excluding duplicate complaints.

etc. The Bank has incorporated data security and privacy protection into the scope of duties of the Board of Directors and the senior management. During the reporting period, the Board of Directors of the Bank deliberated on issues concerning IT risks, such as the *Information Technology Risk Management Report of China CITIC Bank*. The Information Technology Committee deliberated on key information security matters, such as the *Information Security Management Report of China CITIC Bank*, and stringently performed duties related to data security and privacy protection.

The Bank attached great importance to data security and privacy protection. During the reporting period, it continuously strengthened the protection of internal data and customer rights from dimensions such as policy formulation, data security protection, customer information and privacy protection, information system security and security education and training. During the reporting period, the Bank did not have any major data security incidents or customer information breaches.

In terms of policy formulation, the Bank formulated policies including the *Information Security Management Measures of China CITIC Bank*, the *Data Security Management Measures of China CITIC Bank* and the *Consumer Financial Information Protection Management Measures of China CITIC Bank*, establishing a relatively well-developed data security governance policy framework. These policies specify security management requirements for the entire data lifecycle, including collection, transmission, usage, storage, and disposal, and standardize management measures such as data encryption, minimum authorization, and anonymization during customer information collection and usage. During the reporting period, the Bank revised the *Information Security Management Measures of China CITIC Bank* and the *Data Security Management Measures of China CITIC Bank* according to regulatory requirements, to further refine data security management requirements and regulate its data processing activities.

In terms of data security protection, the Bank has established a tiered data security policy framework and technical protection system in accordance with the pertinent laws, regulations, regulatory requirements, industry standards and internal security management needs. During the reporting period, the Bank aligned with new regulatory requirements and internal security needs to optimize its data security policies. It continuously enhanced differentiated management requirements for data classification and grading to improve the precision of data security controls, proactively implemented measures such as data encryption and access control to safeguard data collection, usage and provision, and further strengthened its emergency management mechanism by conducting emergency response drills and simulation drills, thereby enhancing its capability to effectively respond to data security risk.

In terms of customer information and privacy protection, the Bank clearly informed customers about the purpose, methods and scope of information processing, committed to using customer information strictly in accordance with customer authorization and the principle of least privilege, and regularly reviewed and optimized privacy policies to safeguard customers' legitimate rights and interests. During the reporting period, the Bank rigorously adhered to the "Notice and Consent" procedure before processing customer information, only collected and used data that was necessary for providing service, and shared customer information with third parties only upon obtaining authorization. The Bank retained customer data only for the minimum period necessary to provide services, in full compliance with applicable laws, regulations, and regulatory requirements. Except where information retention was required for regulatory requirements, case investigations, or customer disputes, all other customer information confirmed to be no longer in use was immediately deleted.

In terms of information system security, the Bank strictly adhered to the requirements for synchronized planning, development, and utilization of data security and information systems, and implemented data security protection measures at various stages of information system, including demands, design, development, testing and release. During the reporting period, the Bank continuously conducted security tests and assessments to ensure data security protection was integrated throughout the information system development. It enforced stringent access control over information systems, limiting users' data access strictly according to the principle of "least privilege" and granting access permissions based on "business necessity". Meanwhile, the Bank strengthened account management and recovery to mitigate the risk of data misuse beyond the authorized scope.

In terms of security education and training, the Bank, in order to enhance employees' awareness of information security protection, carried out a variety of information security training and awareness campaigns covering different groups in various forms during the reporting period. For employees on the technology line, it provided compliance warning education and dedicated technical training and arranged various training programs required by regulatory authorities to improve their security skills. For all employees, it delivered security awareness education through online courses, case studies, simulated phishing exercises and ransomware drills to strengthen overall security vigilance. For the general public, the Bank disseminated cybersecurity knowledge. During the 2025 Cybersecurity Awareness Week, it organized both online and offline cybersecurity publicity activities, effectively enhancing their awareness to guard against online fraud and protect personal financial information.

3.3.4 Investor Relations

The Bank attached great importance to communication with investors, continuously enhancing its investor relations management and striving to create greater value for its investors. Amid a complex and evolving external environment, the Bank, remaining investor-oriented, implemented a range of measures to deepen and broaden investor engagement, while proactively communicating to the capital markets its measures for and achievements of high-quality development. It abided by the relevant requirements of the shareholders communication policy of the SEHK, and solicited shareholders' opinions and suggestions through the investor mailbox and hotline, SSE e-interactive platform and other channels. It published announcements ahead of the presentation for the release of the annual and interim results to publicly solicit issues of concern from investors, strengthen exchanges with shareholders, protect the right to know, and ensure the effectiveness of the shareholder communication policy.

During the reporting period, the Bank held its 2024 annual results and 2025 interim results presentation via both live video streaming and onsite meeting, broadcasting the entire event via the China CITIC Bank App and several other online platforms. Following the presentation, the Bank released Q&A transcripts in time for investors who were unable to attend the conference to learn about the Bank's operation and management updates in time. In addition, the Bank convened its third-quarter results briefing at the SSE Roadshow Center in the form of "recorded broadcast + online text interaction", proactively addressing market developments and investor concerns. Following the release of its periodic results, the Bank also took the initiative to go out, with the senior management leading domestic and overseas roadshows to engage institutional investors. During these sessions, in-depth introductions to the Bank's operating performance and development strategy were provided, highlighting tangible progress in "stabilizing net interest margins, maintaining asset quality, expanding fee-based income, and broadening the customer base", as well as the growth momentum accumulated by building a "Five Leading" bank. These efforts further reinforced investor recognition of the Bank's value, characterized by "high dividends, stable growth and strong resilience".

During the reporting period, the Bank held more than 120 investor exchanges by holding roadshows, receiving investor research visits and attending strategy meetings held by investment banks. The Bank recorded the above-mentioned investor reception and communication activities according to relevant regulatory requirements, and properly kept relevant documents. Moreover, to effectively protect the rights and interests of small and medium investors, the Bank designated employees to respond to investor inquiries on the SSE e-interactive platform, answer questions received through the investor hotline and email, and actively maintain communication and exchanges with them, so as to convey the Bank's investment value to the broad base of investors who follow the Bank's development.

Additionally, pursuant to Rule 2.07A of the Hong Kong Listing Rules, under the expansion of the paperless listing regime and electronic dissemination of corporate communications that came into effect on 31 December 2023, the Bank has adopted electronic dissemination of corporate communications. Both English and Chinese versions of all corporate communications were available electronically on the official websites of the Bank (www.citicbank.com) and HKEXnews (www.hkexnews.hk) to replace printed copies. Please refer to the notification letters disclosed by the Bank on the official websites of HKEXnews (www.hkexnews.hk) and the Bank (www.citicbank.com) on 23 February 2024 for relevant information.

Valuation Enhancement Plan

To proactively adapt to the evolving capital market and the new competition landscape in the banking industry, and implement the CSRC's requirements on strengthening market value management, the Bank announced the *Valuation Enhancement Plan of China CITIC Bank* on 27 March 2025, with the objective of enhancing its investment value, improving shareholder returns, and promoting sustained and stable growth in market value. During the reporting period, the Bank diligently implemented the valuation enhancement plan by continuously strengthening corporate governance, enhancing information disclosure, reinforcing investor relations management, and safeguarding shareholder returns, thereby achieving solid results. In 2025, the Bank's A-share and H-share adjusted prices rose by 15% and 36%, respectively, reflecting improved valuation. Following an assessment, no further improvement or update is required for the Valuation Enhancement Plan.

3.3.5 Information Disclosure and Management of Insider Information

During the reporting period, strictly following the principles of truthfulness, accuracy, completeness, timeliness and fairness, abiding by laws and regulations, and considering the information needs of investors, the Bank published over 400 periodic reports, extraordinary announcements and other documents at the SSE and the SEHK. Meanwhile, in light of trending topics on the capital market, the Bank kept improving the framework and contents of its periodic reports, demonstrated the effectiveness of its strategy implementation and differentiated competitive advantages from multiple perspectives, and provided investors with timely, sufficient and effective information to protect their right to know.

Meanwhile, the Bank kept improving its management mechanism for inside information, and properly registered inside information and insiders at critical time points in a timely manner, so as to prevent the risks of inside information leakage and insider trading. During the reporting period, the Bank was not aware of any circumstance where any insider traded the Bank's shares by virtue of inside information.

3.3.6 Management of Related Party Transactions

During the reporting period, the Bank attached high importance to the management of related party transactions, improved the management mechanism for related party transactions, enhanced internal control management, review and approval, advanced the information-based and intelligent development of related party transactions, and raised the management quality and efficiency for related party transactions. The Bank promoted the creation of synergistic value and shareholder value under the premise of compliance, and effectively safeguarded the interests of the Bank and its shareholders.

The Bank effectively performed its obligations of reviewing and disclosing related party transactions, submitted material related party transactions to the Related Party Transactions Control Committee (the former Audit and Related Party Transactions Control Committee, and the same hereinafter) for review and to the Board of Directors for deliberation, and disclosed such transactions and filed them with the NFRA for record, in strict compliance with relevant requirements on the management of related party transactions. All related party transactions subject to disclosure were submitted to special meetings of independent directors for review. All the members of the Related Party Transactions Control Committee under the Board of Directors were independent directors. It carried out a preliminary review of material related party transactions and expressed independent opinions thereabout on behalf of minority shareholders to ensure that such transactions were made pursuant to internal approval procedures, on a fair manner on terms no more favorable than those available to independent third parties and in the overall interests of the Bank and all of its shareholders.

The Bank continued to strengthen the management of related party transactions, enhanced dynamic management of related parties and the accuracy of lists on related parties, while reinforcing compliance and effectiveness of transaction process management to ensure orderly and compliant conduct of related party transactions. The Bank strictly implemented new regulatory policies governing related party transactions of directors, supervisors and senior management members. In accordance with the latest requirements under the SSE's listing rules and the NFRA's latest requirements in its *Measurement on the Management of Related Party Transactions* on strengthening the management of related party transactions concerning directors, supervisors and senior management members, the Bank promptly completed the collection of related party information, transaction statistics and confirmation, and the unified resolution by the Board of Directors, while revising relevant policies and ensuring full and effective implementation of policy requirements. The Bank further improved the working mechanism of the Office for Related Party Transactions Management by revising its working rules, further specifying the primary responsibilities of member departments, and enhancing overall operational efficiency. It continued to strengthen the proactive identification and dynamic updating of related parties by establishing a standing due diligence and recognition mechanism for suspected related customers. The screening frequency was increased from once every six months to monthly, resulting in marked improvements in the completeness and timeliness of related party management. To further enhance the compliance of related party transaction process management, the Bank issued the *Notice on Further Strengthening Related Party Transaction Management across China CITIC Bank*, which set out 13 targeted measures across five key areas: strengthening related party identification and reporting, enhancing identification and analysis of related party transactions, standardizing transaction process management, improving transaction data governance, and strictly implementing credit limit management requirements. The Bank also carried out management effectiveness evaluations, comprehensively reviewed the execution of core processes and fundamental standards for related party transactions, and promoted improvements in relevant policies, procedures and systems to enhance its risk prevention and control capabilities.

3.3.7 Employee Rights Protection

In terms of employee development, the Bank fully safeguarded employees' development rights and interests by establishing a career development system encompassing three tracks: management, professional techniques and operational support. It defined clear promotion pathways and channels for employees in different tracks, while also providing channels for transfers and adjustments across tracks and sub-tracks.

In terms of employee remuneration, the Bank adhered to the principle of equal pay for equal work for its remuneration system, ensuring equitable remuneration and welfare regardless of gender or ethnicity. The Bank continuously optimized employee remuneration and welfare protection, and, in strict compliance with national policies on social insurance and housing provident funds, made timely and full contributions for all employees. It has established multi-pillar pension and medical insurance systems, providing enterprise annuities and supplemental medical insurance for contract employees. It has established various types of leave, including annual leave, sick leave, personal leave, marriage leave, maternity leave, paternity leave, nursing leave, and parental leave. It provides female employees with maternity leave and associated allowances and ensures that all staff members receive leave and benefits in accordance with applicable policies.

In terms of employee welfare and care, the labor union of the Bank organized more than 500 routine care and support visits throughout the year to employees on occasions such as marriage, childbirth, illness, financial hardship and retirement. It arranged special care initiatives, including holiday outreach during the New Year's Day and Spring Festival, consumption-based assistance programs supporting rural revitalization, and employee care visits at the year end accounting. The Bank also carried out regular themed activities such as Spring Festival blessings, cultural fairs, Lantern Festival garden gathering and education assistance programs in autumn, ensuring themed activities at every key occasion and ongoing employee care throughout the year. In response to the national call to stimulate consumption and expand domestic demand, the Bank issued consumption vouchers to approximately 63,000 employees, achieving 100% coverage. The Bank valued employees' physical and mental well-being. It organized a variety of cultural and sports activities on a regular basis, including badminton and table tennis, fun sports games and fitness walking. Across the Bank, 80 cultural and sports clubs and interest groups were established, with more than 500 cultural and sports activities held during the year, effectively enriching employees' cultural lives after work. Moreover, the Bank also launched a five-year employee psychological care plan and implemented the first phase of the Employee Assistance Program (EAP) for its Beijing-based institutions, providing professional psychological counseling to more than 2,000 employees on a cumulative basis.

In terms of employee democratic participation, the Bank placed strong emphasis on democratic management, continuously improving communication mechanisms and promoting employee participation in democratic activities. It has established an employee representative congress system covering the Head Office, branches and subsidiaries, giving full play to the corporate democratic management mechanism centered on the employee representative congress. During the reporting period, the Bank convened the Fifth Session of the Second Employee Representative Congress, during which 59 proposals submitted by employee representatives were reviewed and addressed. An innovative "Responding to Employee Concerns" session was introduced, under which the senior management team was invited to have direct dialogue with employee representatives on key topics such as annual performance evaluation, consumption voucher distribution and psychological care lectures, answering questions and addressing concerns. The resolution rate for registered proposals reached 77.5% for the year.

In terms of employee expression channels, the Bank established smooth and diversified channels for employee communication and the solicitation of opinions, including the President's Mailbox and the "VoiceUp" platform. By doing so, it proactively guided and encouraged employees to provide genuine feedback and utilized staff insights as critical inputs for optimizing internal operational processes. All employees may directly submit letters to the President's Mailbox. The Bank attached great importance to the letters from the President's Mail Box, and a number of reasonable suggestions have been adopted for implementation. "VoiceUp", a platform designed to collect and address primary-level business development needs, provides an effective channel for frontline employees to express their views. Since its launch in 2022, it has attracted 6.5 million visits, received over 35,000 pieces of opinions and suggestions from primary-level employees, and provided prompt responses to issues of common interest.

3.3.8 Corporate Culture Development

The Bank regarded the development of a financial culture with Chinese characteristics as a foundational undertaking for strengthening cohesion and supporting sustained growth. It steadily advanced the deep integration and implementation of the financial culture with Chinese characteristics among its workforce, guiding all employees to consciously practice the "Five Dos and Five Don'ts" in business development and operational practice, and to serve as communicators, guardians and practitioners of such culture. During the reporting period, the Bank strengthened Bank-wide theoretical education, carried out regular study and communication initiatives, deepened value alignment and consolidated its ideological foundation. It emphasized the model effect of exemplary role models by identifying outstanding representatives at the primary level and promoting them through report sessions, promotional videos and lecture sessions, thereby reinforcing mainstream values and establishing a clear value orientation. In implementing CITIC Group's "Nine Initiatives" cultural practice campaign, the Bank organized a range of diverse and effective cultural explorations, including "conducting one seminar", "showcasing selected case studies", "hosting one forum" and "compiling revolutionary heritage resources". It summarized practical experience and successful models, with related reports published by official media outlets such as news.cn, vividly demonstrating the achievements in its cultural development. To strengthen cultural confidence, the Bank continued to host cultural events such as Corporate Culture Festival and anniversary celebrations, and organized employee sports games, themed essay competitions and group reading activities to enhance cohesion and unity and foster a rich cultural atmosphere. By organizing commemorative activities during traditional festivals and major historical commemorations, the Bank promoted the fine traditional Chinese culture, practiced core socialist values, and advanced the development of a sound corporate culture, so as to provide robust cultural support and momentum for its high-quality development.

For further information on the Bank's ESG, please refer to the *China CITIC Bank Corporation Limited 2025 Sustainability Report* published by the Bank on the official websites of the SSE (www.sse.com.cn), HKEXnews (www.hkexnews.hk) and the Bank (www.citicbank.com), as well as relevant disclosures on the ESG section of the official website of the Bank (www.citicbank.com).

CHAPTER 4 REPORT OF THE BOARD OF DIRECTORS

4.1 Principal Business

The Bank is engaged in commercial banking and related financial services.

4.2 Material Litigation and Arbitration

During the reporting period, the Group had no material litigation or arbitration.

The Group was involved in several litigation and arbitration cases in its ordinary and usual course of business. Most of these litigation and arbitration cases were initiated by the Group for loan recovery, and there were also litigation and arbitration resulting from disputes with customers. As at the end of the reporting period, there were 181 outstanding litigation and arbitration cases (regardless of the disputed amounts) in the Group's ordinary and usual course of business where the Group acted as defendant/respondent, with an aggregate disputed amount of RMB1.588 billion. The Group is of the view that the above-mentioned litigation or arbitration has no significant adverse impacts on either its financial position or its operating results.

4.3 Appropriation of Funds by the Controlling Shareholder and Other Related Parties

There was no appropriation of the Group's funds by either the controlling shareholder or other related parties. KPMG Huazhen LLP has issued the *2025 Special Report on Non-Operating Fund Appropriation and Other Fund Exchange with Related Parties of China CITIC Bank Corporation Limited* with regard to appropriation of the Bank's funds by its controlling shareholder and other related parties in 2025. Please refer to the relevant announcements the Bank disclosed on the official websites of the SSE (www.sse.com.cn), HKEXnews (www.hkexnews.hk) and the Bank (www.citicbank.com) on the disclosure date of this report for relevant information.

4.4 Material Related Party Transactions

The Bank identified related parties and conducted related party transactions in accordance with the regulatory rules and guidelines of regulators such as the NFRA, the SSE and the SEHK, as well as accounting standards. When engaging in transactions with related parties during its ordinary and usual course of business, the Bank executed the transactions according to general business principles on terms no more favorable than those available to independent third parties, in line with the overall interests of the Bank and its shareholders. For statistical details of the related party transactions, please refer to Note 58 to the financial statements contained in this report, of which the transactions constituting connected transactions as per Chapter 14A of the Hong Kong Listing Rules all complied with the disclosure requirements of Chapter 14A of the Hong Kong Listing Rules. Except for what has been disclosed under this section, other related party transactions constitute no connected transactions as per Chapter 14A of the Hong Kong Listing Rules.

According to regulatory rules of the NFRA, the Bank submitted material related party transactions with related parties to the Related Party Transactions Control Committee of the Board of Directors for preliminary review, presented them to the Board of Directors for further deliberation and disclosure, and filed them with the NFRA for record in a timely manner. According to regulatory rules of the SSE and the SEHK, the Bank strictly controlled related party transactions where businesses with applied annual caps on related party transactions were conducted within the caps. For the businesses without applied annual caps on related party transactions, the Bank properly exercised management and monitoring, and once the review or disclosure requirements were triggered, it timely performed review or disclosure procedures according to the regulatory requirements. According to the rules of the Ministry of Finance, the Bank accurately disclosed related party transactions information in the notes to the financial statements. On the basis of quarterly reporting credit extension and non-credit extension related party transactions to the Related Party Transactions Control Committee of the Board of Directors, the Bank submitted data to the related party transactions regulation system in accordance with the requirements of the NFRA.

During the reporting period, the former Audit and Related Party Transactions Control Committee of the Board of Directors, the Related Party Transactions Control Committee of the Board of Directors, and the Board of Directors respectively held five meetings concerning related party transactions, and conducted preliminary review on and approved 12 proposals relevant to related party transactions regarding material related party transactions[76], caps on daily related party transactions, annual report on related party transactions, etc. The Bank published 24 interim announcements on related party transactions on the websites of the SSE and the SEHK, and disclosed 20 announcements related to material related party transactions and four announcements on general related party transactions on its official website, which met regulatory requirements.

4.4.1 Related Party Transactions Involving Disposal and Acquisition of Assets or Equity

During the reporting period, the Group was not engaged in any material related party transactions involving the disposal or acquisition of assets or equity under the rules of the SSE.

4.4.2 Credit Extension Continuing Related Party Transactions

Based on business development needs, upon review at the 35th meeting of the 6th Session of the Board of Directors convened on 8 November 2023 and approval at the 2nd Extraordinary General Meeting of 2023 convened on 28 December 2023, the Bank applied to the SSE for its respective annual caps on credit extension for the years of 2024 to 2026 for related party transactions with CITIC Group and its associates, and with Cinda Securities Co., Ltd. where the Bank's related natural persons held positions. Upon approval at the 35th meeting of the 6th Session of the Board of Directors convened on 8 November 2023, the Bank applied to the SSE for the annual caps on credit extension for the years of 2024 to 2026 for its related party transactions with Quzhou Development and its associates. Upon review at the 14th meeting of the 7th Session of the Board of Directors held on 15 July 2025 and approval at the 2nd Extraordinary General Meeting of 2025 convened on 26 August 2025, the Bank applied to the SSE for the annual caps on credit extension for the years of 2025 and 2026 for its related party transactions with Bank of China Limited where the Bank's related natural persons

[76] During the reporting period, the Board of Directors reviewed and approved 13 material related party transactions on 26 March, 29 April, 15 July, 27 August, and 26 December 2025, respectively, with a total amount of RMB1,270 billion. Specifically, 12 transactions were conducted with CITIC Group and its associates, involving RMB970 billion, and one transaction was with China Tobacco and its associates, involving RMB300 billion.

held positions. Subject to the regulatory requirements applicable to the Bank, the 2025 annual caps and executed amounts on credit extension for related party transactions with the aforementioned parties under the SSE regulatory criteria are listed as follows:

Unit: RMB100 million

Counterparty	Business type	Basis of calculation	Annual cap for 2025	Transaction amount for 2025
CITIC Group and its associates			4,000	3,767.16
Quzhou Development and its associates			150	59.70
Cinda Securities Co., Ltd. where the Bank's related natural persons held positions	Credit Extension	Credit line	30	20
Bank of China Limited where the Bank's related natural persons held positions			1,300	1,163.14

In addition, as per relevant NFRA requirements, the balance of the Bank's credit extension to a single related party shall not exceed 10% of the Bank's net capital of the preceding quarter end, the total balance of the Bank's credit extension to its group customer which a single related legal person or non-legal person organization belongs to shall not exceed 15% of the Bank's net capital of the preceding quarter end, and the balances of credit extension to all related parties shall not exceed 50% of the Bank's net capital of the preceding quarter end. The balance of the Bank's credit extension to a single related party, a group customer which a single related legal person or non-legal person organization belongs to and all related parties were all in compliance with the above-mentioned regulatory requirements. The details are as follows:

Unit: RMB100 million

Counterparty	Credit balance	Percentage of the Bank's net capital
Largest single related party	156.53	1.77%
CITIC Group and legal persons or organizations under its control	950.59	10.76%
Quzhou Industrial Holding Group Co., Ltd. and legal persons or organizations under its control	154.98	1.75%
China Tobacco and legal persons or organizations under its control	0.80	0.01%
All related parties	1,445.09	16.36%

Notes: (1) The above credit balances have been net of margin deposits, pledged certificates of deposit, and Chinese government bonds provided by related parties at the time the credit facilities were granted. They also excluded the interbank credit balances that, in accordance with Article 16 of the *Measures for the Administration of Related Party Transactions of Banking and Insurance Institutions*, are not subject to the ratio requirements set forth in Paragraph 1 of Article 16, as well as the credit balances approved by regulators to be exempt from statistical inclusion.

(2) The credit balance to all related parties included credit balances to each related party group customer, related enterprises in which related natural persons made investments or held positions, related enterprises over which shareholders exercised significant influence, and all related natural persons.

The Bank attached great importance to the daily monitoring and management of related party credit extension transactions and ensured lawfulness and compliance of such transactions by enhancing relevant measures such as more intensive process-based management, strict risk review and enhanced post-lending management of related credit extension. As at the end of the reporting period, the Group's credit extension to related enterprises was of good quality in general, with 4 being special mention loans (RMB2.205 billion), 1 being substandard loans (RMB0.098 billion), 3 being suspicious loans (RMB0.323 billion) and 5 being loss loans (RMB7.628 billion), and all others being performing loans. As such, these credit extension transactions exerted no material impact on the normal operation of the Group in terms of transaction volume, structure and quality. The credit extension businesses conducted between the Group and the aforementioned related parties were conducted on general commercial terms within the caps and were executed on terms no more favorable than those available to independent third parties.

The Bank stringently followed the requirements of regulatory bodies such as the SSE and the NFRA on review and disclosure procedures. As at the end of the reporting period, the Group had no fund exchange, appropriation or other situations as set forth in the *Regulatory Guidelines for Listed Companies No. 8 – Regulatory Requirements for Fund Transactions and External Guarantees of Listed Companies* (CSRC Announcement [2022] No. 26). The related loans between the Group and aforementioned related parties have no material adverse impact on the operating results or financial position of the Group.

4.4.3 Non-Credit Extension Continuing Related Party Transactions

Based on business development needs, upon review at the 35th meeting of the 6th Session of the Board of Directors convened on 8 November 2023 and approval at the Second Extraordinary General Meeting of 2023 convened on 28 December 2023, the Bank applied to the SSE and the SEHK for the annual caps on the eight main categories of non-credit extension continuing related party transactions with CITIC Group and its associates for the years of 2024 to 2026, and has entered into relevant continuing related party transactions framework agreements on the same day of the Board of Directors' meeting. Upon approval at the 35th meeting of the 6th Session of the Board of Directors convened on 8 November 2023, the Bank applied to the SSE for the annual caps on the six main categories of non-credit extension continuing related party transactions with Quzhou Development and its associates for the years of 2024 to 2026. Upon review at the 35th meeting of the 6th Session of the Board of Directors convened on 8 November 2023 and approval at the Second Extraordinary General Meeting of 2023 convened on 28 December 2023, the Bank applied to the SSE for the annual caps on the four main categories of non-credit extension continuing related party transactions with Cinda Securities Co., Ltd. where the Bank's related natural persons held positions for the years of 2024 to 2026. Upon review at the 14th meeting of the 7th Session of the Board of Directors convened on 15 July 2025 and approval at the 2nd Extraordinary General Meeting of 2025 convened on 26 August 2025, the Bank applied to the SSE for the annual caps on the eight main

categories of non-credit extension continuing related party transactions with Bank of China Limited where the Bank's related natural persons held positions for the years of 2025 and 2026. The non-credit extension transactions between the Group and the aforementioned related parties followed general commercial principles and were executed on terms no more favorable than those available to independent third parties.

In accordance with the applicable provisions of Chapter 14A of the Hong Kong Listing Rules and Chapter 6 of the *Rules Governing the Listing of Stocks on the Shanghai Stock Exchange*, particulars of the Group's non-credit extension continuing related party transactions with the aforesaid related parties during the reporting period are described as follows:

4.4.3.1 Asset Transfer

Asset transfer transactions between the Group and its related parties shall be made on terms no more favorable than those available to independent third parties. The transactions are priced based on the following principles: (1) at the price prescribed or set by the state or government (i.e., the price prescribed by the state or government authority in accordance with relevant laws and other normative documents); (2) at market price if there is no such price prescribed or set by the state or government; and (3) at carrying amount of relevant assets with an appropriate discount to reflect appropriate risks for the assets where there is no price prescribed or set by the state or government or market price.

The principal terms of the Asset Transfer Framework Agreement are set out as follows: (1) the Bank buys or sells movable and immovable properties for its own use, credit assets or other related assets during day-to-day operations, including but not limited to, buying or selling movable and immovable properties for its own use, transferring in/out corporate, retail credit and non-credit assets and their (usufruct) beneficial rights, accounts receivable and other assets directly or through asset management plan, asset securitization, factoring, forfaiting and other forms; buying or selling creditor's rights of interbank assets, or receiving and disposing of repossessed assets; conducting guarantee and discounting of commercial acceptance drafts and bill discounting not involving credit risk of discount applicants; other asset transfer businesses; (2) both parties of the agreement shall provide the services prescribed in the agreement; and (3) asset transfer pursuant to the agreement shall be conducted in accordance with general commercial principles on terms no more favorable than similar transactions with independent third parties.

During the reporting period, related party transactions between the Group and related parties for which caps on related party transactions on asset transfer were applied are as follows:

Unit: RMB100 million

Counterparty	Business type	Basis of calculation	Annual cap for 2025	Transaction amount for 2025
CITIC Group and its associates	Asset Transfer	Transaction price	1,800	280.51
Quzhou Development and its associates			15	0
Bank of China Limited where the Bank's related natural persons held positions			2,800	335.34

As at the end of the reporting period, none of the related party transactions on asset transfer between the Group and the above-mentioned related parties exceeded the corresponding approved annual caps.

4.4.3.2 Comprehensive Services

The Group and related parties shall determine the fees of comprehensive services through fair consultation with reference to the market prices of similar transactions or the fees and rates applicable to transactions conducted by independent third parties.

The principal terms of the Comprehensive Service Framework Agreement are set out as follows: (1) comprehensive services conducted include but are not limited to insurance services and medical fund management, merchandise service procurement (including conference hosting services), outsourcing services, value-added services (including points redemption services for bank card customers), advertising services, technology services, call center services, property leasing and property management, project contracting and other comprehensive services; (2) both parties of the agreement shall provide the services prescribed in the agreement; (3) the service provider and its associates are entitled to obtain service fees in accordance with law; and (4) the comprehensive services to be provided under the agreement shall be conducted in accordance with general commercial principles on terms no more favorable than similar transactions with independent third parties.

During the reporting period, related party transactions between the Group and related parties for which caps on related party transactions on comprehensive services were applied are as follows:

Unit: RMB100 million

Counterparty	Business type	Basis of calculation	Annual cap for 2025	Transaction amount for 2025
CITIC Group and its associates	Comprehensive Services	Service fee expense/income	66	45.12
Bank of China Limited where the Bank's related natural persons held positions			0.05	0.0004

As at the end of the reporting period, none of the related party transactions on comprehensive services between the Group and the above-mentioned related party exceeded the corresponding approved annual caps.

4.4.3.3 Financial Consulting and Asset Management Services

The Group and its related parties shall determine the fees of financial consulting and asset management services through fair consultation, with transaction prices or rates no more favorable than those available to any independent third party, or determine the prices and rates for specific services based on the market prices and rates applicable to the same transaction for the independent counterparty.

The principal terms of the Financial Consulting Service and Asset Management Service Framework Agreement are set out as follows: (1) services conducted include but are not limited to bond underwriting, financing and financial consulting services, financial products agency sales, asset securitization, entrusted loans services, underwriting of investment and financing projects, consulting services, and management of factoring receivables, collection of receivables, guarantee for bad loans, asset management, and other financial consulting and asset management services; (2) both parties of the agreement shall provide the services prescribed in the agreement; (3) the service provider and its associates shall be entitled to obtain service fees in accordance with law; and (4) the financial consulting and asset management services to be provided under the agreement shall be conducted in accordance with general commercial principles on terms no more favorable than similar transactions with independent third parties.

During the reporting period, related party transactions between the Group and related parties for which caps on related party transactions on financial consulting and asset management services were applied are as follows:

Unit: RMB100 million

Counterparty	Business type	Basis of calculation	Annual cap for 2025	Transaction amount for 2025
CITIC Group and its associates	Financial Consulting and Asset Management Services	Service fee income/ expense	180	32.83
Quzhou Development and its associates			0.5	0
Bank of China Limited where the Bank's related natural persons held positions			3	1.28

As at the end of the reporting period, none of the related party transactions on financial consulting and asset management services between the Group and the above-mentioned related parties exceeded the corresponding approved annual caps.

4.4.3.4 Asset Custody and Account Management Services

Asset custody and account management services between the Group and related parties shall be delivered on terms no more favorable than those available to independent third parties. Such transactions are priced according to the following principles: (1) the service fees paid by both parties under this agreement are subject to relevant market prices and periodic review; (2) for asset custody services and account management service provided by the service provider related to its financial assets or funds, fees shall be charged based on the type of assets/account under custody at 0%-2% of the assets or funds under management on the premise of following national and regulatory rules. As for account management services and special types of asset custody products such as custody of corporate pension funds, fees no more favorable than those available to independent third parties shall be charged; (3) as for third-party supervision services for financing goods of credit enterprises provided by the service provider, the fees shall vary according to the types of goods. Specifically, the supervision service fees for automobiles are charged at the rate of RMB50,000 to RMB100,000 per year per person for a single store. Bulk cargo supervision service fees are charged at the rate of 0.5%-0.8% of the Bank's credit exposure limit; (4) as for the third-party escrow services provided by the service provider to the recipient, the service fees shall be charged based on the aggregate balance of the customer's funds under management at the end of each quarter multiplied by an annual fee rate of 0‰ to 1‰ (converted to daily fee rate).

The principal terms of the Asset Custody and Account Management Service Framework Agreement are set out as follows: (1) the services to be provided under the agreement include but are not limited to asset custody services and account management services provided by the service provider in relation to its financial assets or funds, third-party supervision services provided by the service provider for the financing goods of credit enterprises, and the third-party escrow services provided by the service provider to the recipient; (2) both parties of the agreement shall provide the services prescribed in the agreement; (3) the service provider and its associates shall be entitled to obtain service fees in accordance with law; and (4) the asset custody and account management services to be provided under the agreement shall be conducted in accordance with general commercial principles on terms no more favorable than similar transactions with independent third parties.

During the reporting period, related party transactions between the Group and related parties for which caps on related party transactions on asset custody and account management services were applied are as follows:

Unit: RMB100 million

Counterparty	**Business type**	**Basis of calculation**	**Annual cap for 2025**	**Transaction amount for 2025**
CITIC Group and its associates	Asset Custody and Account Management Services	Service fee income/expense	30	13.28
Cinda Securities Co., Ltd. where the Bank's related natural persons held positions			0.01	0.001
Bank of China Limited where the Bank's related natural persons held positions			1	0.11

As at the end of the reporting period, none of the related party transactions on asset custody and account management services between the Group and the above-mentioned related parties exceeded the corresponding approved annual caps.

4.4.3.5 Other Financial Services

The Group and its related parties shall determine the fees for other financial services between them through fair consultation, with transaction prices and rates no more favorable than those available to any independent third party, or determine the prices and rates for specific services based on the market prices and rates applicable to the same transaction for the independent counterparty.

The principal terms of the Other Financial Service Framework Agreement are set out as follows: (1) services conducted include but are not limited to agency spot foreign exchange settlement and sales and foreign exchange trading, guarantee and commitment business, e-banking business, bank card business, domestic/international settlement business, entrusted agency business, safe deposit box business, acquiring business and other financial services; (2) both parties of the agreement shall provide the services prescribed in the agreement; (3) the service provider and its associates shall be entitled to obtain service fees in accordance with law; and (4) other financial services to be provided under the agreement shall be conducted in accordance with general commercial principles on terms no more favorable than similar transactions with independent third parties.

During the reporting period, related party transactions between the Group and related parties for which caps on related party transactions on other financial services were applied are as follows:

Unit: RMB100 million

Counterparty	Business type	Basis of calculation	Annual cap for 2025	Transaction amount for 2025
CITIC Group and its associates	Other Financial Services	Service fee income/expense	20	2.56
Quzhou Development and its associates			1.5	0.26
Bank of China Limited where the Bank's related natural persons held positions			1	0.05

As at the end of the reporting period, none of the related party transactions on other financial services between the Group and the above-mentioned related parties exceeded the corresponding approved annual caps.

4.4.3.6 Deposit Business

The Group absorbed deposits from related parties according to market-based pricing and general commercial principles and based on terms no more favorable than those available for similar transactions with independent third parties.

The principal terms of the Deposit Business Framework Agreement are set out as follows: (1) the Bank shall provide deposit services, including but not limited to corporate deposits, i.e. negotiated deposit, agreement deposit, call deposit, time deposit (including large-denomination certificate of deposit) and structured deposit, as well as interbank deposits, i.e. interbank time deposits, etc.; (2) both parties to the agreement shall carry out business under the agreement; (3) deposits takers shall pay interest to depositors in accordance with terms stipulated for deposit business; and (4) the deposit business to be conducted under the agreement shall follow general commercial principles and be executed on terms no more favorable than those available to independent third parties.

During the reporting period, related party transactions between the Group and related parties for which caps on related party transactions on deposit business were applied are as follows:

Unit: RMB100 million

Counterparty	Business type	Basis of calculation	Annual cap for 2025	Transaction amount for 2025
CITIC Group and its associates	Deposit Business	Amount of interest paid	18	5.70
Quzhou Development and its associates			2.1	0.17
Cinda Securities Co., Ltd. where the Bank's related natural persons held positions			0.22	0
Bank of China Limited where the Bank's related natural persons held positions			4	0.22

As at the end of the reporting period, none of the related party transactions on deposit business between the Group and the above-mentioned related parties exceeded the corresponding approved annual caps.

4.4.3.7 Financial Markets Business

The financial markets business conducted between the Group and related parties shall be determined by both parties through fair consultation with reference to the market prices of similar transactions, and follow the following pricing principles: (1) the pricing of related party transactions shall be similar to market prices and interbank prices, with no obvious deviation from the prices of similar transactions of independent third parties in the market; (2) the pricing standard for agency foreign exchange derivatives in derivatives business shall be determined through fair and equal negotiation between both parties, with prices or rates no more favorable than those available to independent third parties. Meanwhile, the Bank shall comply with relevant provisions of the PBOC and the State Administration of Foreign Exchange, and conduct the business according to the commercial principles of market-oriented pricing.

The major terms of the Financial Markets Business Framework Agreement are as follows: (1) businesses include but are not limited to interbank lending, bond repurchase, bond lending, precious metals lending, draft repurchase, proprietary foreign exchange (including foreign exchange settlement and sales) spot business, precious metals spot business, derivatives business, bond business, draft buying and selling via re-discounting, interbank borrowing business, bill discounting business (the acceptor is a related party) and other treasury transactions; (2) both parties to the agreement shall carry out business under the agreement; (3) the transactions shall be executed on terms no more favorable than those available to independent third parties.

During the reporting period, related party transactions between the Group and related parties for which caps on related party transactions on financial market business were applied are as follows:

Unit: RMB100 million

Counterparty	Business type	Basis of calculation	Annual cap for 2025	Transaction amount for 2025
CITIC Group and its associates	Financial Markets Business	Credit line/ transaction principal/ transaction profit and loss	41,000	18,893.95
Quzhou Development and its associates			4	0
Cinda Securities Co., Ltd. where the Bank's related natural persons held positions			390	102.14
Bank of China Limited where the Bank's related natural persons held positions			53,500	18,291.92

As at the end of the reporting period, none of the related party transactions on financial markets business between the Group and the above-mentioned related parties exceeded the corresponding approved annual caps.

4.4.3.8 Investment Business

The investment business conducted between the Group and related parties shall be determined by both parties through fair consultation with reference to the market prices of similar transactions.

The principal terms of the Investment Business Framework Agreement are set out as follows: (1) businesses include but are not limited to investment in securities, funds (including fund subsidiaries), insurance, trust and other (financial) products issued/established by financial institutions or authorized entities (including but not limited to asset management plans of securities companies, special fund plans, trust plans, trust beneficiary rights, asset-backed securities and asset-backed drafts), entrusted investment, investment of wealth management funds in bonds with related parties as financing entity, non-standard creditor's rights, equity, interbank deposits and other investment transactions; (2) both parties to the agreement shall carry out business under the agreement; (3) the transactions shall be executed on terms no more favorable than those available to independent third parties.

During the reporting period, related party transactions between the Group and related parties for which caps on related party transactions on investment business were applied are as follows:

Unit: RMB100 million

Counterparty	Business type	Basis of calculation	Annual cap for 2025	Transaction amount for 2025
CITIC Group and its associates	Investment Business	Investment amount (balance at any time point)	4,400	1,233.40
Quzhou Development and its associates			50	0.10
Cinda Securities Co., Ltd. where the Bank's related natural persons held positions			31.75	18.40
Bank of China Limited where the Bank's related natural persons held positions			2,000	739.43

As at the end of the reporting period, none of the related party transactions on investment business between the Group and the above-mentioned related parties exceeded the corresponding approved annual caps.

4.4.4 One-off Connected Transactions

During the reporting period, the Group did not have any one-off connected transactions under the Hong Kong Listing Rules.

4.4.5 Related Party Transactions in Joint External Investment

During the reporting period, the Group did not carry out material related party transactions arising from joint external investment with its related parties under the rules of the SSE.

4.4.6 Related Party Debt Transactions and Guarantees

For details of debt transactions and guarantees between the Group and its related parties, please refer to Note 58(b) to the financial statements of this report.

4.4.7 Related Party Transactions with Related Finance Companies

4.4.7.1 Deposit business

During the reporting period, the Group had no deposit with its related finance company CITIC Finance Company Limited (hereinafter referred to as "CITIC Finance"), and the changes in deposits of CITIC Finance with the Group are as follows:

Unit: RMB100 million

Company	Daily upper limit for deposit	Range of deposit rate	Opening balance	Deposited amount for 2025	Withdrawn amount for 2025	Closing balance
CITIC Finance	None	0-4.4%	74.96	1,429.29	1,410.08	94.17

4.4.7.2 Loan business

During the reporting period, both the loans issued by the Group to CITIC Finance and the loans issued by CITIC Finance to the Group were zero.

4.4.7.3 Credit business

During the reporting period, the Group granted a total credit line of RMB12.0 billion to CITIC Finance, with a credit balance of RMB0.213 billion as at the end of the reporting period. During the reporting period, CITIC Finance granted a total credit line of RMB23.6 billion to the Group, with a credit balance of RMB9.417 billion as at the end of the reporting period.

4.4.7.4 Other financial business

During the reporting period, the Group conducted bond repo transactions of RMB0.999 billion with CITIC Finance, spot bonds transactions of RMB0.5 billion with CITIC Finance, and charged CITIC Finance total fees of RMB4 million on various settlement services provided. CITIC Finance subscribed a total of RMB200 million interbank deposit certificates issued by the Group.

4.4.8 Transaction Balances and Risk Exposures of Related Natural Persons

For details of the transaction balances and risk exposures relating to the transactions between the Bank and its related natural persons, please refer to Note 58(c) to the financial statements of this report.

4.4.9 Confirmation by Independent Non-Executive Directors and the Auditor

Upon review of the various continuing connected transactions under the Hong Kong Listing Rules made in the reporting period, the independent non-executive directors of the Bank confirmed that these transactions:

(1) were entered into during the Group's ordinary and usual course of business;

(2) followed normal commercial terms; and

(3) complied with the terms and conditions of the concerned transaction contracts that were fair, reasonable and consistent with the overall interests of the Bank's shareholders.

The auditor obtained the list of continuing connected transactions from the Bank's management. After completing relevant work in accordance with Hong Kong Standard on Assurance Engagements 3000 (amended) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by Hong Kong Institute of Certified Public Accountants and the Practice Note 740 (amended) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules", the auditor did not find any of the following issue regarding the disclosed continuing connected transactions of the Bank:

(1) not approved by the Board of Directors of the Bank;

(2) pricing of connected transactions involving the provision of goods or services not compliant with the Group's pricing policy in all material aspects;

(3) execution of connected transactions not compliant with the terms and conditions of the concerned connected transaction agreements in all material aspects; and

(4) aggregate value of various continuing connected transactions exceeding their respective annual caps disclosed in the announcements dated 8 November 2023 and 28 December 2023.

The Board of Directors has confirmed the receipt of confirmation from the auditor on matters required by Rule 14A.56 under the Hong Kong Listing Rules.

4.5 Major Contracts and Their Performance

4.5.1 Material Custody, Contracting and Leasing

During the reporting period, the Bank neither incurred nor had any material custodianship, contracting, or leasing of other companies' assets that required disclosure, nor were there any instances of other companies having custody, contracting, or leasing of the Bank's material assets.

4.5.2 Material Guarantees

Guarantee business is one of the regular off-balance sheet items of the Bank. Except for the financial guarantee business within its approved business scope, during the reporting period, the Bank did not have any other material guarantee that needed to be disclosed.

The external guarantee business carried out by the Bank is dominated by L/G, which is a regular banking business within the approved scope of daily operation. As at the end of the reporting period, the balance of guarantee through L/G issued by the Bank was equivalent to RMB251.992 billion.

4.5.3 Entrusted Wealth Management

During the reporting period, the Bank did not have any entrusted wealth management transactions beyond its normal scope of business.

4.5.4 Other Material Contracts

During the reporting period, the Bank did not sign any other material contracts beyond its normal scope of business.

4.6 Undertakings by the Company and Its Relevant Stakeholders

Undertaking party	Type of undertaking	Matters undertaken	Undertaking time	Period of effectiveness	Fulfillment as at the end of the reporting period
CITIC Group and the Bank	Undertakings about avoiding horizontal competition	CITIC Group and the Bank gave the following undertakings in the *Prospectus for the Initial Public Offering (A Shares) of China CITIC Bank Corporation Limited* regarding arrangements to avoid horizontal competition: As the controlling shareholder of the Bank, CITIC Group will not directly engage in competitive commercial banking business; the Bank's key region of operation is the Chinese mainland; CITIC Group and the Bank will strive to establish an effective mechanism to avoid future horizontal competition.	26 April 2007	Permanently effective	Remain valid and duly performed
The Bank's directors and senior management members	Others	Undertakings about faithful implementation of the remedial measures regarding the dilution of immediate returns that may arise from the Bank's non-public offering of preference shares in the domestic market.	24 March 2016	Permanently effective	Remain valid and duly performed
	Others	Undertakings about faithful implementation of the remedial measures regarding the dilution of immediate returns that may arise from the Bank's rights issue to existing shareholders.	30 April 2022	Permanently effective	Remain valid and duly performed

Undertaking party	Type of undertaking	Matters undertaken	Undertaking time	Period of effectiveness	Fulfillment as at the end of the reporting period
CITIC Financial Holdings	Undertakings about share subscription	Undertakings that CITIC Financial Holdings will subscribe for all the A shares offered to itself under the rights issue plan.	22 June 2022	Permanently effective	Remain valid and duly performed
	Undertakings about avoiding horizontal competition, etc.	Undertakings that CITIC Financial Holdings gave in the *Report on Acquisition of China CITIC Bank Corporation Limited* about continuously maintaining the independent operation of the Bank, avoiding horizontal competition, and regulating related party transactions.	8 November 2022	Permanently effective	Remain valid and duly performed
CITIC Group	Undertakings about avoiding horizontal competition	To protect the legitimate rights and interests of the Bank and its minority shareholders, and to eliminate and avoid horizontal competition between the Bank and its subsidiaries, CITIC Group gave the following undertakings: (1) Regarding the horizontal competition between Huarong Financial Leasing and CITIC Financial Leasing arising from CITIC Group's acquisition of Huarong Financial Leasing, CITIC Group will, within five years from the date of obtaining control of Huarong Financial Leasing, strive to steadily advance the integration of related businesses and eliminate horizontal competition by multiple means such as asset restructuring, asset disposal, equity transfer, business adjustment and entrusted management, while complying with the requirements of relevant securities regulators as well as applicable laws, regulations, and regulatory rules and acting in the interest of the development of China CITIC Bank and the protection of its shareholders, especially minority shareholders. (2) CITIC Group has been committed to strictly complying with laws, regulations, as well as China CITIC Bank's Articles of Association and relevant management rules, not taking advantage of its position as the de facto controller of China CITIC Bank to seek improper benefits or harm the interests of China CITIC Bank and other shareholders. (3) The above undertakings will remain effective during the period in which CITIC Group acts as the de facto controller of China CITIC Bank. CITIC Group has been committed to strictly fulfilling all items in the letter of undertakings, and shall assume responsibility for any loss incurred by China CITIC Bank due to its violation of these obligations.	29 May 2024	Permanently effective	Remain valid and duly performed

4.7 Engagement of Auditors

Upon expiry of the former auditor's service term for the 2022 annual audit, the annual general meeting of the Bank, convened on 21 June 2023, approved the proposal regarding the engagement of KPMG Huazhen LLP as its domestic auditor for 2023 and KPMG as its international auditor for 2023.

The annual general meeting of the Bank convened on 20 June 2025 approved the *Proposal regarding the Engagement of Accounting Firms and Their Fees for the Year 2025*, agreeing to re-engage KPMG Huazhen LLP as its domestic auditor for 2025 and KPMG as its international auditor for 2025. For details, please refer to the *Announcement on the Reengagement of Auditors of China CITIC Bank Corporation Limited* and the *Announcement on Resolutions of the Annual General Meeting of 2024, the Second A Shareholders Class Meeting of 2025 and the Second H Shareholders Class Meeting of 2025 of China CITIC Bank Corporation Limited* published on the official websites of the SSE (www.sse.com.cn), HKEXnews (www.hkexnews.hk) and the Bank (www.citicbank.com) on 27 March 2025 and 21 June 2025, respectively.

Currently, KPMG Huazhen LLP and KPMG have provided auditing services to the Group and the Bank for three consecutive years. In 2025, the partner responsible for the audit project is Jin Naiwen. Jin Naiwen and Ye Hongming are the signing CPAs for the auditor's report for the 2025 financial statements of the Group and the Bank prepared in accordance with the PRC Accounting Standards, and they have provided audit services to the Group and the Bank for one year and three consecutive years, respectively. Elise Wong (Wong Yuen Shan) is the signing CPA for the auditor's report regarding the 2025 financial statements of the Group and the Bank prepared in accordance with the IFRS Accounting Standards, and she has provided audit services for the Group and the Bank for three consecutive years.

The Group's fees for audit services (including subsidiaries) were equivalent to about RMB16.34 million, including RMB7.19 million for the auditing of the Bank (of which, RMB0.6 million was for auditing the internal control) in total to KPMG Huazhen LLP who audited its 2025 financial statements prepared in accordance with the PRC Accounting Standards and the effectiveness of internal control on financial statements as at 31 December 2025 and to KPMG who audited its 2025 financial statements prepared in accordance with the IFRS Accounting Standards. The above audit fees were determined with reference to the Bank's business scope to be audited and the estimated workload of the accounting firms, among other relevant factors. The statements of KPMG Huazhen LLP and KPMG regarding their responsibilities pertaining to the financial statements are set out in the auditor's reports contained in the A-share and H-share annual reports, respectively.

Except for the above-mentioned audit fees, in this year, the fees for non-audit services provided by KPMG Huazhen LLP and KPMG to the Group are approximately RMB10.4411 million (including professional services rendered for asset securitization, assurance of sustainability report, etc.), of which the non-audit fee for the Bank was RMB8.6947 million. KPMG Huazhen LLP and KPMG confirmed that these services will not compromise their audit independence.

4.8 Use of Funds Raised

All proceeds raised by the Bank were used in accordance with the purposes disclosed in relevant documents, including the prospectuses for the IPO and the rights issue.

4.9 Penalties Imposed on the Company and its Directors, Supervisors, Senior Management Members, Controlling Shareholder and De Facto Controller

To the best of the Bank's knowledge, during the reporting period, the Bank was not investigated for any suspected crimes according to laws, and none of its controlling shareholder, de facto controller, directors, supervisors and senior management members was suspected of committing crimes or was subject to compulsory measures according to law; the Bank or its controlling shareholder, de facto controller, directors, supervisors or senior management members were not subject to criminal punishment, investigation by the CSRC for suspected violation of laws and regulations or administrative punishment by the CSRC, administrative and regulatory measures by the CSRC, disciplinary punishment by stock exchange, or material administrative punishment by other competent authorities; none of the Bank's directors, supervisors or senior management members was detained by the discipline inspection and supervision organs for suspected serious disciplinary violations or duty-related crimes, or subject to compulsory measures by other competent authorities for suspected violation of laws and regulations, which affected their duty performance.

4.10 Integrity of the Company and Its Relevant Stakeholders

During the reporting period, none of the Bank, its controlling shareholder, or its de facto controller was involved in failure to execute valid court documents or failure to repay matured debts of considerable amounts.

4.11 Reserves

For details on changes in the reserves of the Bank as at the end of the reporting period, please refer to Notes 44-47 to the financial statements contained in this report.

4.12 Properties

For details of the changes in the Bank's properties as at the end of the reporting period, please refer to Note 26 to the financial statements contained in this report.

4.13 Post Balance Sheet Events

As at the disclosure date of this report, there were no material post balance sheet events the Bank shall disclose.

4.14 Management Contracts

During the reporting period, the Bank did not enter into any contracts for the administration or management of its overall business or major businesses.

4.15 Distributable Reserves

For details on distributable reserves of the Bank, please refer to "Financial Statements – Consolidated Statement of Changes in Equity" contained in this report.

4.16 Donations

The Group pays back to society with enthusiasm in strict accordance with the *Charity Law of the People's Republic of China* and other applicable laws and regulations, channeling its donations to areas in the greatest need of help. During the reporting period, the Group made a total of RMB10,894.4 thousand donation and its employees made a total of RMB1,842.0 thousand donation.

4.17 Fixed Assets

For details on changes in the Bank's fixed assets as at the end of the reporting period, please refer to Note 26 to the financial statements contained in this report.

4.18 Retirement and Benefits

The Bank paid contributions to the basic old-age pension schemes for its employees pursuant to relevant national laws, regulations and policies. The amounts of basic pension contributions were determined by the national standard and ratio. In addition, the Bank established enterprise annuity plans, for which the contribution is calculated according to a certain percentage of employee salary.

For details on retirement benefits that the Bank provided for its employees, please refer to Note 37(b) to the financial statements contained in this report.

4.19 Share Capital and Public Float

For details on changes in the Bank's share capital during the reporting period, please refer to Note 42 to the financial statements contained in this report. Pursuant to publicly available information, the Board of Directors of the Bank was of the view that the Bank had sufficient public float as at the disclosure date of this report.

4.20 Purchase, Sale or Redemption of Shares

During the reporting period, neither the Bank nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Bank (including selling treasury shares). As at the end of the reporting period, the Bank held no treasury shares.

4.21 Pre-emptive Rights

None of the PRC laws, administrative regulations, ministerial rules, or the Articles of Association of the Bank contain any mandatory provisions on pre-emptive rights for the purchase of shares of listed companies. According to its Articles of Association, the Bank may increase its registered capital by way of offering ordinary shares to non-specific or specific investors, bonus shares issuance to the existing shareholders, transfer of capital reserve to share capital, conversion of preference shares to ordinary shares or other means permitted by laws and administrative regulations or as approved by relevant authorities authorized by the State Council.

4.22 Issuance of Shares

For relevant information about the Bank's issuance of shares during the reporting period, please refer to Chapter 5 "Changes in Shares and Information on Shareholders" of this report.

4.23 Issuance of Debentures

For information about the Bank's issuance of debentures during the reporting period, please refer to Chapter 5 "Changes in Shares and Information on Shareholders" of this report.

4.24 Equity Linked Agreements

Save as disclosed in Chapter 5 "Changes in Shares and Information on Shareholders – Preference Shares" of this report, there was no newly entered or existing equity-linked agreement of the Bank during the reporting period.

4.25 Right of Directors and Supervisors to Acquire Shares or Debentures

During the reporting period, none of the directors, supervisors, or their respective associates were granted by the Bank or its subsidiaries the right to acquire shares or debentures of the Bank or any other corporate groups; nor did any of the directors or supervisors exercise any of such rights.

4.26 Equity Interest of Substantial Shareholders

Please refer to Chapter 5 "Changes in Shares and Information on Shareholders – Interests and Short Positions Held by Substantial Ordinary Shareholders and Other Persons" of this report for detailed information.

4.27 Tax Matters

A Shareholders

For individual investor shareholders, the *Notice on Issues Relating to the Implementation of the Differentiated Individual Income Tax Policy on Dividends Obtained from Listed Companies* (Finance and Taxation [2012] No. 85), and the *Notice on Issues Relating to the Differentiated Individual Income Tax Policy on Dividends Obtained from Listed Companies* (Finance and Taxation [2015] No. 101), both issued jointly by the Ministry of Finance, the State Administration of Taxation and the CSRC provide that, for shares of listed companies that an individual investor obtains from public offering and/or the secondary market, if the duration of shareholding is less than 1 month (inclusive), the full amount of his or her dividend income shall be calculated as taxable income; if the duration of shareholding is between 1 month and 1 year (inclusive), 50% of the dividend income shall be calculated as taxable income for the time being; and if the duration of shareholding lasts more than 1 year, the dividend income shall be exempted from individual income tax for the time being. All the above-mentioned dividend income shall be taxed at a uniformly applicable tax rate of 20%.

For securities investment funds that are shareholders of listed companies, the computation and payment of dividend income tax shall be made in accordance with the aforementioned *Notice on Issues Relating to the Differentiated Individual Income Tax Policy on Dividends Obtained from Listed Companies* (Finance and Taxation [2015] No. 101) and *Notice on Issues Relating to the Implementation of the Differentiated Individual Income Tax Policy on Dividends Obtained from Listed Companies* (Finance and Taxation [2012] No. 85).

Resident enterprise shareholders (including institutional investors) shall pay income tax on their cash dividends on their own accord pursuant to the relevant taxation requirements of the nation.

For Qualified Foreign Institutional Investors (QFII), listed companies are required to withhold and pay enterprise income tax at the rate of 10% pursuant to the *Notice of the State Administration of Taxation Concerning the Relevant Issues on the Withholding and Payment of Enterprise Income Tax Relating to the Payment of Dividends, Bonuses and Interests by PRC Resident Enterprises to QFIIs* (SAT Letter [2009] No. 47). Where the dividend paid to a QFII is entitled to relevant treatments under a tax agreement (arrangement), the QFII may apply to the competent tax authority for such treatment. The latter shall implement the treatment as stipulated in the tax agreement after verifying the validity of the application. Where a tax refund is involved, the QFII shall promptly submit a tax refund application to the competent tax authority on its own accord after receiving dividends.

H Shareholders

For overseas residents that are individual shareholders of listed companies, the *Notice of the State Administration of Taxation on Issues Concerning Individual Income Tax Collection and Management after the Repeal of SAT Document [1993] No. 045* (SAT Letter [2011] No. 348) provides that, dividends received by such overseas residents for their holding of shares issued by domestic non-foreign-invested enterprises in Hong Kong shall be subject to the payment of individual income tax under the "interest, dividend and bonus income" item, and that such individual income tax shall be withheld and paid by the withholding agents according to relevant laws at a tax rate of 10%. Where overseas residents that are individual holders of shares issued by domestic non-foreign invested enterprises in Hong Kong are entitled to the relevant preferential tax treatment pursuant to the provisions in the tax treaties signed between their countries of residence and China or the tax arrangements made between the Chinese mainland and the Hong Kong (Macau) SAR, and the tax rate for dividends under the relevant tax treaties and tax arrangements is 10% in general. For the purpose of simplifying tax administration, domestic non-foreign-invested enterprises issuing shares in Hong Kong may, upon payment of dividends, generally withhold individual income tax at the rate of 10%, without the need to file an application. If the tax rate for dividends is not equal to 10%, the following provisions shall apply: (1) for residents of countries that have signed lower than 10% tax rate treaties, the withholding agents may file on their behalf applications for the relevant agreed preferential tax treatments, under which circumstances the over-withheld tax amounts will be refunded upon approval by the competent tax authorities; (2) for residents of countries that have signed higher than 10% but lower than 20% tax rate treaties, the withholding agents shall withhold individual income tax at the agreed tax rate effective at the time of dividend payment, without the need to file an application; and (3) for residents of countries without tax treaties or under other situations, the withholding agents shall withhold individual income tax at 20% upon payment of dividends.

For non-resident enterprises that are shareholders of listed companies, the *Notice of the State Administration of Taxation on the Issues Concerning Withholding Enterprise Income Tax on Dividends Paid by Chinese Resident Enterprises to H Shareholders that are Nonresident Overseas Enterprises* (SAT Letter [2008] No. 897) provides that, a PRC resident enterprise, when paying dividends for 2008 and subsequent years to H shareholders that are non-resident overseas enterprises, shall withhold and pay the enterprise income tax at a uniform rate of 10%.

Tax matters in relation to the Shanghai-Hong Kong Stock Connect shall be handled according to the provisions of the *Notice on Relevant Taxation Policies in Connection with the Pilot Shanghai-Hong Kong Stock Connect Mechanism* (Finance and Taxation [2014] No. 81) issued by the Ministry of Finance, the State Administration of Taxation and the CSRC.

Preference shareholders

Individual income tax payment in relation to dividends obtained by individual preference shareholders shall be performed according to the related national taxation regulations.

Resident enterprises (including institutional investors) shall perform their tax payment obligations on their own according to related national taxation regulations.

Shareholders of the Bank shall be taxed and/or entitled to tax reliefs and exemptions in accordance with the aforementioned regulations.

4.28 Events Relating to Bankruptcy or Restructuring

During the reporting period, the Bank did not incur any event relating to bankruptcy or restructuring.

4.29 Changes in Accounting Policies and Accounting Estimates or Correction of Significant Accounting Errors

During the reporting period, the Bank had no changes in accounting policies and accounting estimates or correction of significant accounting errors.

4.30 Business Review

For details of the Group's business profile, major risks and uncertainties in 2025 and outlook for 2026, please refer to Chapter 2 "Management Discussion and Analysis" of this report.

4.31 Audit Committee

The Audit Committee under the Board of Directors of the Bank has reviewed and approved the 2025 annual results of the Bank and the Group and their audited 2025 annual financial statements prepared in accordance with the IFRS Accounting Standards.

4.32 Relations with Employees, Suppliers and Customers

For the relations between the Group and its employees, shareholders and customers, please refer to "Team Building and Employee Training", "Investor Relations" and "Consumer Rights Protection" under Chapter 3 Corporate Governance of this report.

4.33 Major Customers

In 2025, the total interest income and other operating income from the top five customers of the Group did not exceed 30% of the Group's interest income and other operating income.

4.34 Other Significant Matters

4.34.1 Rights Issue to Existing Shareholders

The Bank plans to issue rights shares to its existing shareholders. Please refer to "Equity Financing" of Chapter 5 in this report for details thereof.

4.34.2 Share Transfers between Controlling Shareholder and Its Persons Acting in Concert

The registration of share transfers between CITIC Financial Holdings, the controlling shareholder of the Bank, and Metal Link Limited and Fortune Class Investments Limited was completed. For details about the share transfers, please refer to "Controlling Shareholder and De Facto Controller of the Bank" of Chapter 5 in this report, as well as the relevant announcements published on the official websites of the SSE (www.sse.com.cn), HKEXnews (www.hkexnews.hk) and the Bank (www.citicbank.com) on 13 December 2024, 11 January 2025, 13 February 2025 and 1 March 2025.

4.34.3 Delisting of Convertible Bonds upon Maturity

The RMB40.0 billion of A-share convertible corporate bonds (hereinafter short as "convertible bonds" or "CITIC Convertible Bonds") issued by the Bank in March 2019 were delisted on 4 March 2025 upon maturity. A total of RMB39,943,149,000 of convertible bonds were converted into 6,710,365,691 A-share ordinary shares of the Bank and RMB63,104,610 of convertible bonds were redeemed upon maturity. For details, please refer to relevant announcements published on the official websites of the SSE (www.sse.com.cn), HKEXnews (www.hkexnews.hk), and the Bank (www.citicbank.com) on 22 February 2025 and 5 March 2025.

4.34.4 Capital Increase in CITIC Financial Leasing

The Bank's capital increase in CITIC Financial Leasing and the capitalization of its undistributed profits are detailed in "Material Investments, Material Acquisitions, Material Sales of Assets and Equity" of Chapter 2 in this report.

4.34.5 Approval to Prepare for the Establishment of a Financial Asset Investment Company

The Bank funded the establishment of a wholly-owned subsidiary, CITIC Bank Financial Asset Investment with its own capital. Please refer to "Material Investments, Material Acquisitions, Material Sales of Assets and Equity" of Chapter 2 in this report for details.

4.34.6 Signing of the Authorized Management Agreement

For relevant detail on the *Authorized Management Agreement* signed between the Bank and CITIC Group, please refer to the relevant content in "Explanations on Independence from the Controlling Shareholder and De Facto Controller" of Chapter 3 in this report.

CHAPTER 5 CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

5.1 Ordinary Shares

5.1.1 Table of Changes in Ordinary Shares

Unit: Shares

	31 December 2024		Changes during the reporting period (+, –)					31 December 2025	
Category	Number of shares held	Percentage (%)	New issue	Bonus issue	Capital reserve converted to shares	Convertible bonds converted to shares	Subtotal	Number of shares held	Percentage (%)
Shares subject to restrictions on sale	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Shares held by the state	-	-	-	-	-	-	-	-	-
2. Shares held by state-owned legal persons	-	-	-	-	-	-	-	-	-
3. Shares held by other domestic investors	-	-	-	-	-	-	-	-	-
Including: Shares held by domestic non-state-owned legal persons	-	-	-	-	-	-	-	-	-
Shares held by domestic natural persons	-	-	-	-	-	-	-	-	-
4. Foreign-held shares	-	-	-	-	-	-	-	-	-
Including: Shares held by overseas legal persons	-	-	-	-	-	-	-	-	-
Shares held by overseas natural persons	-	-	-	-	-	-	-	-	-
Shares not subject to restrictions on sale	**54,397,013,781**	**100.00**	**-**	**-**	**-**	**+1,248,148,483**	**+1,248,148,483**	**55,645,162,264**	**100.00**
1. Renminbi-denominated ordinary shares	39,514,850,804	72.64	-	-	-	+1,248,148,483	+1,248,148,483	40,762,999,287	73.26
2. Domestically-listed foreign shares	-	-	-	-	-	-	-	-	-
3. Overseas-listed foreign shares	14,882,162,977	27.36	-	-	-	-	-	14,882,162,977	26.74
4. Others	-	-	-	-	-	-	-	-	-
Total Shares	**54,397,013,781**	**100.00**	**-**	**-**	**-**	**+1,248,148,483**	**+1,248,148,483**	**55,645,162,264**	**100.00**

Reasons for Changes in Ordinary Shares

The Bank's CITIC Convertible Bonds issued in March 2019 entered into the conversion period on 11 September 2019 and were delisted upon maturity on 4 March 2025. From 1 January 2025 to 3 March 2025, a total of RMB6,977,169,000 worth of the CITIC Convertible Bonds were converted into 1,248,148,483 shares of the Bank's A-share ordinary shares.

5.1.2 Shares Subject to Restrictions on Sale

During the reporting period, none of the Bank's shareholders held shares subject to restrictions on sale.

5.1.3 Information on Ordinary Shareholders

5.1.3.1 Total Number of Shareholders

As at the end of the reporting period, the Bank had 118,728 accounts of ordinary shareholders in total, including 94,195 accounts of A shareholders and 24,533 accounts of registered H shareholders, and had no preference shareholders with restored voting rights.

As at the end of the month preceding the disclosure date of this report (i.e., 28 February 2026), the Bank recorded 122,763 accounts of ordinary shareholders in total, including 98,412 accounts of A shareholders and 24,351 accounts of registered H shareholders, and no preference shareholders with restored voting rights.

5.1.3.2 Information on the Top 10 Shareholders (as at the end of the reporting period)

Unit: Shares

No.	Name of shareholder	Nature of shareholder	Class of shares	Total number of shares held	Shareholding percentage (%)	Number of shares subject to restrictions on sale	Increase or decrease in shareholding during the reporting period	Shares pledged, marked or frozen
1	CITIC Financial Holdings	State-owned legal person	A share H share	36,028,393,412	64.75	0	+295,499,000	0
2	Hong Kong Securities Clearing Company Nominees Limited	Overseas legal person	H share	11,852,294,619	21.30	0	-288,108,517	Unknown
3	China National Tobacco Corporation	State-owned legal person	A share	2,584,406,960	4.64	0	0	0
4	China Securities Finance Corporation Limited	State-owned legal person	A share	1,018,941,677	1.83	0	0	0
5	China Life Insurance Company Limited – Traditional – Ordinary Insurance Products – 005L – CT001 Shanghai	Others	A share	906,001,540	1.63	0	+890,464,940	0
6	Hong Kong Securities Clearing Company Limited	Overseas legal person	A share	274,652,931	0.49	0	-1,549,300	0
7	Central Huijin Asset Management Ltd.	State-owned legal person	A share	267,137,050	0.48	0	0	0
8	China Construction Bank Corporation	State-owned legal person	H share	168,599,268	0.30	0	0	0
9	China Life Insurance Company Limited – Dividend – Individual Dividend – 005L – FH002 Shanghai	Others	A share	110,282,691	0.20	0	+104,105,712	0
10	China Construction Bank Corporation – Yinhua Fund Affluence Theme Mixed Securities Investment Fund	Others	A share	90,000,152	0.16	0	+90,000,152	0

Notes: (1) All shares held by the above-mentioned shareholders were shares of the Bank not subject to restrictions on sale.

(2) The shareholdings of A shareholders and H shareholders in the table above were calculated based on the Bank's share registers, respectively maintained with China Securities Depository and Clearing Corporation Limited Shanghai Branch and Computershare Hong Kong Investor Services Limited.

(3) Hong Kong Securities Clearing Company Nominees Limited is a wholly-owned subsidiary of Hong Kong Securities Clearing Company Limited. The total number of shares held by Hong Kong Securities Clearing Company Nominees Limited is the aggregate number of H shares it held in its capacity as nominee on behalf of all institutional and individual investors registered with the company as at the end of the reporting period. Hong Kong Securities Clearing Company Limited is an institution that is designated by others to hold shares, including the Shanghai Stock Connect shares held by Hong Kong and overseas investors, on behalf of others in its capacity as a nominee shareholder.

(4) CITIC Financial Holdings is a wholly-owned subsidiary of CITIC Corporation Limited. As at the end of the reporting period, CITIC Corporation Limited and its subsidiary held 36,610,129,412 shares of the Bank in aggregate, representing 65.79% of the total issued shares of the Bank, including 33,264,829,933 A shares and 3,345,299,479 H shares. CITIC Financial Holdings directly held 36,028,393,412 shares in the Bank, accounting for 64.75% of the total share capital of the Bank, including 33,264,829,933 A shares and 2,763,563,479 H shares.

(5) Summit Idea Limited confirmed that, as at the end of the reporting period, it held via Hong Kong Securities Clearing Company Nominees Limited 2,292,579,000 H shares of the Bank, accounting for 4.12% of the Bank's total shares. Summit Idea Limited is a wholly-owned affiliate of Quzhou Development. In addition to the aforementioned, Hong Kong Xinhu Investment Co., Ltd., a wholly-owned subsidiary of Quzhou Development, also held 153,686,000 H shares of the Bank via Hong Kong Securities Clearing Company Nominees Limited, taking up 0.28% of the Bank's total shares.

(6) Note on related relations or concerted actions between the ordinary shareholders listed in the above table: Hong Kong Securities Clearing Company Nominees Limited is a wholly-owned subsidiary of Hong Kong Securities Clearing Company Limited. Central Huijin Investment Ltd. held 100% equity interest in Central Huijin Asset Management Ltd. and 66.70% equity interest in China Securities Finance Corporation Limited. According to the *Third Quarter Report of 2025 of China Construction Bank Corporation*, as at 30 September 2025, Central Huijin Investment Ltd., Central Huijin Asset Management Ltd. and China Securities Finance Corporation Limited together held 55.64% shares of China Construction Bank Corporation. According to public information, China Construction Bank served as the custodian bank for the "China Construction Bank Corporation – Yinhua Fund Affluence Theme Mixed Securities Investment Fund". In addition, based on public information, the Bank reached a preliminary conclusion that there was a related relation between China Life Insurance Company Limited – Traditional – Ordinary Insurance Products – 005L – CT001 Shanghai and China Life Insurance Company Limited – Dividend – Individual Dividend – 005L – FH002 Shanghai. Except for these, the Bank was not aware of any related relations or concerted actions between the shareholders listed in the above table.

(7) None of the top 10 shareholders of the Bank were special account for repurchase.

(8) As far as the Bank was aware, as at the end of the reporting period, the shareholders listed in the above table neither delegated nor abstained from their voting rights, nor were delegated with the voting rights of any other party.

(9) As far as the Bank was aware, save as Hong Kong Securities Clearing Company Nominees Limited (the situation of which is unknown), the shareholders listed in the above table did not participate in margin trading and short selling, or refinancing.

5.1.4 Interests and Short Positions Held by Substantial Ordinary Shareholders and Other Persons

The table below sets out the interests and short positions in the shares of the Bank held by substantial shareholders and other persons (except the directors and chief executive of the Bank as defined according to the Hong Kong Listing Rules) as recorded in the register that the Bank maintained pursuant to Section 336 of the *Securities and Futures Ordinance* and as far as the Bank was aware as at the end of the reporting period.

Name	Class of shares	Identity	Number of shares held	Shareholding percentage of the issued share capital of the same class (%)	Shareholding percentage of the total issued share capital (%)
CITIC Financial Holdings	H share	Beneficial owner	2,763,563,479(L)	18.57	4.97
	H share	Interest of controlled corporations	1,123,363,710(L)	7.55	2.02
	A share	Beneficial owner	33,264,829,933(L)	81.61	59.78
CITIC Corporation Limited	H share	Beneficial owner	581,736,000(L)	3.91	1.05
	H share	Interest of controlled corporations	3,886,927,189(L)	26.12	6.99
	A share		33,264,829,933(L)	81.61	59.78
CITIC Limited	H share	Interest of controlled corporations	4,468,663,189(L)	30.03	8.03
	A share		33,264,829,933(L)	81.61	59.78
CITIC Polaris Limited	H share	Interest of controlled corporations	4,468,663,189(L)	30.03	8.03
	A share		33,264,829,933(L)	81.61	59.78
CITIC Glory Limited	H share	Interest of controlled corporations	4,468,663,189(L)	30.03	8.03
	A share		33,264,829,933(L)	81.61	59.78
CITIC Group	H share	Interest of controlled corporations	4,468,663,189(L)	30.03	8.03
	A share		33,264,829,933(L)	81.61	59.78
Summit Idea Limited	H share	Beneficial owner	2,292,579,000(L)	15.41	4.12
Total Partner Global Limited	H share	Interest of controlled corporations	2,292,579,000(L)	15.41	4.12
Hong Kong Xinhu Investment Co., Ltd.	H share	Beneficial owner	153,686,000(L)	1.03	0.28
		Interest of controlled corporations	2,292,579,000(L)	15.41	4.12
Quzhou Development	H share	Interest of controlled corporations	2,446,265,000(L)	16.44	4.40
Quzhou Zhibao Enterprise Management Partnership (Limited Partnership)	H share	Interest of controlled corporations	2,446,265,000(L)	16.44	4.40

Name	Class of shares	Identity	Number of shares held	Shareholding percentage of the issued share capital of the same class (%)	Shareholding percentage of the total issued share capital (%)
Quzhou Zhina Enterprise Management Co., Ltd.	H share	Interest of controlled corporations	2,446,265,000(L)	16.44	4.40
Quzhou Industrial Investment Group Co., Ltd.	H share	Interest of controlled corporations	2,446,265,000(L)	16.44	4.40
Quzhou Industrial Holding Group Co., Ltd.	H share	Interest of controlled corporations	2,446,265,000(L)	16.44	4.40
UBS SDIC Fund Management Co., Ltd.	H share	Investment manager	1,379,630,577(L)	9.27	2.48
CTI Capital Management Limited	H share	Person having a security interest in shares	1,123,363,710(L)	7.55	2.02
China CITIC Financial AMC International Holdings Limited	H share	Person having a security interest in shares	1,123,363,710(L)	7.55	2.02
China CITIC Financial Asset Management Co., Ltd.	H share	Person having a security interest in shares	1,123,363,710(L)	7.55	2.02

Notes: (1) (L) – long position.

(2) As CTI Capital Management Limited is a corporation indirectly controlled by CITIC Financial Holdings, accordingly, the interests of CITIC Financial Holdings, CITIC Corporation Limited, CITIC Limited, CITIC Polaris Limited, CITIC Glory Limited and CITIC Group include a security interest in 1,123,363,710 shares of the Bank held by CTI Capital Management Limited.

(3) The above disclosure is made mainly on the basis of the information released on the HKEXnews (www.hkexnews.hk). Some of the total percentage numbers may be different from the sum of each sub-item due to rounding.

(4) According to Section 336 of the *Securities and Futures Ordinance*, if certain conditions are met, shareholders of the Bank shall submit the interest disclosure form. When there is a change to the number of shares of the Bank held by shareholders, unless certain conditions are met, shareholders need not notify the Bank or the SEHK. Therefore, the latest number of shares of the Bank held by shareholders may differ from the number submitted to the SEHK.

Except for the aforementioned disclosure, as at the end of the reporting period, the Bank was not aware of any person (except the directors and chief executive of the Bank defined according to the Hong Kong Listing Rules) held any interests and short positions in the shares of the Bank or underlying shares that shall be recorded in the register that the Bank maintained pursuant to Section 336 of the *Securities and Futures Ordinance*.

5.1.5 Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Bank or Associated Corporations Held by Its Directors and Chief Executive

The table below sets out the interests in the shares of the Bank held by directors and chief executive of the Bank as at the end of the reporting period as recorded in the register pursuant to Section 352 of the *Securities and Futures Ordinance* and as far as the Bank is aware:

Name	Position	Class of shares	Identity	Number of shares held	Shareholding percentage of the issued shares of the same class (%)	Shareholding percentage of the total issued ordinary shares (%)
Fang Heying	Chairman, Executive Director	H share	Beneficial owner	1,000,000(L)	0.0067	0.0018
Hu Gang	Executive Director, Vice President	H share	Beneficial owner	1,627,000(L)	0.0109	0.0029

Notes: (1) (L) – long position.

(2) The above disclosure is made mainly on the basis of the information released on the HKEXnews (www.hkexnews.hk).

The table below sets out the interests in the shares of the Bank's associated corporations held by directors and chief executive of the Bank as at the end of the reporting period as recorded in the register pursuant to Section 352 of the *Securities and Futures Ordinance* and as far as the Bank is aware:

Name	**Associated corporation**	**Identity**	**Number of shares held**	**Shareholding percentage of the total issued ordinary shares (%)**
Fang Heying	CITIC Limited	Beneficial owner	38,000(L)	0.00013
Wei Qiang	CITIC Limited	Beneficial owner	107,000(L)	0.00037
Hu Gang	CITIC Limited	Beneficial owner	143,000(L)	0.00049

Notes: (1) (L) – long position.

(2) The above disclosure is made mainly on the basis of the information released on the HKEXnews (www.hkexnews.hk).

5.1.6 Controlling Shareholder and De Facto Controller of the Bank

5.1.6.1 Information on Controlling Shareholder and De Facto Controller of the Bank

During the reporting period, there was no change in the Bank's controlling shareholder or the Bank's de facto controller. As at the end of the reporting period, CITIC Financial Holdings was the controlling shareholder of the Bank; CITIC Corporation Limited was the single direct controlling shareholder of CITIC Financial Holdings; CITIC Limited was the single direct controlling shareholder of CITIC Corporation Limited; CITIC Group was the controlling shareholder of CITIC Limited and the de facto controller of the Bank.

CITIC Group was founded in 1979 by Mr. Rong Yiren with the advocacy and support of Mr. Deng Xiaoping. Since its incorporation, CITIC Group has been a pilot unit for national economic reform and an important window for China's opening up to the world. With fruitful explorations and innovation in many areas, CITIC Group has established a good reputation and image both at home and abroad. At present, CITIC Group has developed into a large comprehensive multinational conglomerate with both financial and non-financial businesses. Its financial business covers a full range of services, including banking, securities, trust, insurance, fund, and asset management; and its non-financial business includes real estate, engineering contracting, energy and resources, infrastructure construction, machinery manufacturing, and information industry, demonstrating strong comprehensive advantages and great momentum of growth.

In December 2011, with approval from the State Council, and in alignment with its wholly-owned subsidiary, Beijing CITIC Enterprise Management Co., Ltd., CITIC Group contributed the majority of its existing net operating assets to establish CITIC Corporation Limited (named "CITIC Limited" when first established). In particular, CITIC Group held 99.9% equity interest in CITIC Limited, and Beijing CITIC Enterprise Management Co., Ltd. held 0.1%. CITIC Group as a whole was restructured into a wholly state-owned company. To complete the aforementioned capital contribution, CITIC Group transferred and injected its entire equity in the Bank to CITIC Corporation Limited. As a result, CITIC Corporation Limited held 28,938,929,004 shares in the Bank both directly and indirectly, accounting for 61.85% of the Bank's total share capital. The above-mentioned share transfer was approved by the State Council, the Ministry of Finance (MOF), the former CBRC, the CSRC, and the Hong Kong Monetary Authority. In February 2013, the relevant formalities for the share transfer were officially completed with approvals from the SSE and China Securities Depository and Clearing Corporation Limited Shanghai Branch. On 26 December 2018, the MOF and the Ministry of Human Resources and Social Security (MOHRSS) decided to transfer MOF's 10% equity in CITIC Group to the National Council for Social Security Fund in a lump sum. According to relevant regulations, the National Council for Social Security Fund, as a financial investor, is entitled to the equity income and other relevant rights and interests corresponding to the state-owned equity transferred, and does not intervene in the daily production, operation and management of the enterprise. The transfer does not change the original state-owned asset management mechanism of CITIC Group, and relevant procedures are in progress.

In October 2013, BBVA transferred to CITIC Limited the 2,386,153,679 H shares it held in the Bank, accounting for approximately 5.10% of the total share capital of the Bank, after which CITIC Limited increased its shareholding in the Bank to 66.95%.

In August 2014, CITIC Group injected its main business assets entirely into its Hong Kong-listed subsidiary, CITIC Pacific, and renamed it CITIC Limited. The former CITIC Limited was renamed CITIC Corporation Limited. CITIC Limited held a 100% equity interest in CITIC Corporation Limited.

In September 2014, CITIC Corporation Limited purchased an additional 81,910,800 H shares of the Bank via agreement transfer, after which CITIC Corporation Limited held a total of 31,406,992,773 A shares and H shares of the Bank, accounting for approximately 67.13% of the Bank's total share capital.

In January 2016, the Bank completed its private offering of 2,147,469,539 A shares to China Tobacco, upon which time the Bank's total share capital increased to 48,934,796,573 shares, and the proportion of shares owned by CITIC Corporation Limited went down to 64.18%.

In January 2016, CITIC Limited notified the Bank that it planned to increase its shareholding in the Bank before 21 January 2017 when appropriate, and that the cumulative percentage of such incremental equity holding would not exceed 5% of the Bank's total issued share capital. As at 21 January 2017, the implementation of the plan to increase shareholding in the Bank was completed. CITIC Limited and its subsidiaries (including CITIC Corporation Limited) held 32,284,227,773 shares of the Bank in aggregate, of which they held 28,938,928,294 A shares and 3,345,299,479 H shares, representing 65.97% of the total issued shares of the Bank.

On 24 March 2022, CITIC Financial Holdings was established with capital contributions from CITIC Corporation Limited. In April 2023, the share transfer registration was completed for the transfer for nil consideration of 28,938,928,294 A shares and 2,468,064,479 H shares from CITIC Corporation Limited to CITIC Financial Holdings. Upon the completion of the above-mentioned share transfer registration, CITIC Corporation Limited still holds a total of 581,736,000 H shares of the Bank, representing 1.19% of the total issued shares of the Bank, and CITIC Financial Holdings directly holds a total of 31,406,992,773 shares of the Bank, representing 64.18% of the total issued shares of the Bank. CITIC Financial Holdings replaced CITIC Corporation Limited to become the controlling shareholder of the Bank. CITIC Group remains the de facto controller of the Bank.

In March 2024, CITIC Financial Holdings converted all the RMB26.388 billion convertible corporate bonds of the Bank it held into 4,325,901,639 A-share ordinary shares of the Bank. After the conversion of the convertible bonds, CITIC Financial Holdings and its persons acting in concert held a total of 36,610,129,412 shares of the Bank, representing 68.70% of the total share capital of the Bank.

On 27 February 2025, CITIC Financial Holdings, through negotiated transfer, acquired all 285,186,000 H shares of the Bank held by Metal Link Limited and all 10,313,000 H shares of the Bank held by Fortune Class Investments Limited. Upon completion of the share transfers, CITIC Financial Holdings held 36,028,393,412 shares (including 33,264,829,933 A shares and 2,763,563,479 H shares) of the Bank, accounting for 64.79%[77] of the Bank's total share capital; the number and percentage of shares CITIC Financial Holdings and its persons acting in concert collectively held in the Bank remained unchanged. Metal Link Limited and Fortune Class Investments Limited no longer held the Bank's shares or acted in concert with CITIC Financial Holdings.

[77] The shareholding percentage after the completion of the share transfers was calculated based on the total share capital of the Bank of 55,607,461,451 shares as at 27 February 2025.

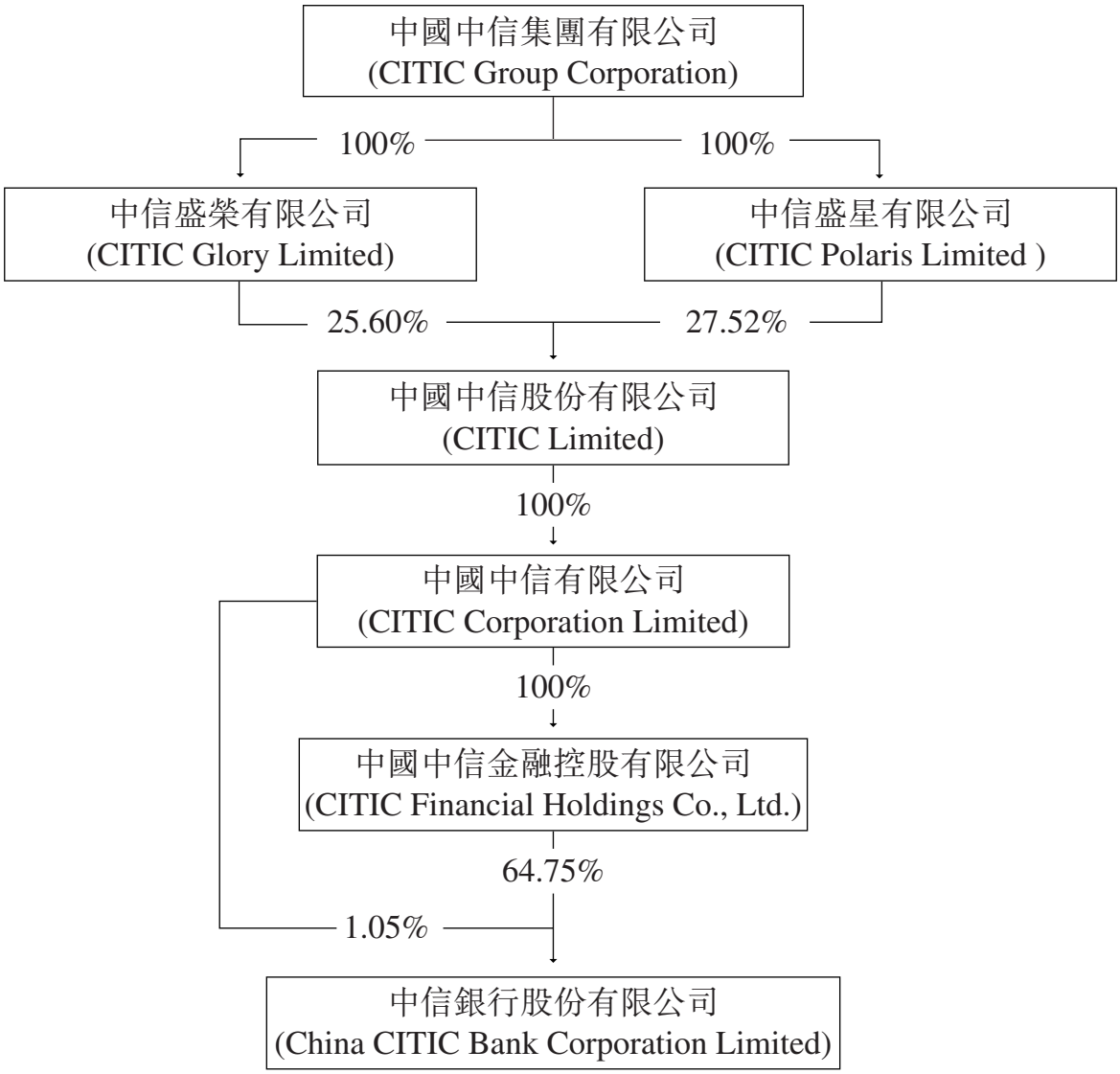
As at the end of the reporting period, CITIC Group had a registered capital of RMB205,311,476,359.03, and its legal representative was Xi Guohua. Its business scope covered: investment in and management of domestic and overseas financial enterprises and related industries including banking, securities, insurance, trust, asset management, futures, leases, funds and credit cards; investment businesses in energy, transportation infrastructure, mining, forestry resources development and raw materials industry, machinery manufacturing, real estate development, information infrastructure, basic telecommunications and value-added telecom services, environmental protection, pharmaceuticals, biological engineering and new materials, aviation, transportation, warehousing, hotels, tourism, domestic and international trade, commerce, education, publication, media, culture and sports, domestic and overseas engineering design, construction, contracting and sub-contracting, and industrial investment; asset management; capital operation; project tendering, exploration, design, construction, supervision, contracting and subcontracting and consulting services; external allocation of required workers to overseas projects commensurate with its strength, scale and business performance; import and export; and information services business (only restricted to internet information services which excludes information search and inquiry service, information community service, instant information interaction service and information protection and processing service). (The market entity shall discretionally choose its business projects and conduct its business activities according to the law, conduct business items that may only be conducted with approval according to the law as per approval of competent authorities, and may not engage in business activities of projects that are prohibited or restricted by the national and municipal industrial policies).

As at the end of the reporting period, CITIC Financial Holdings had a registered capital of RMB42,000,000,000, and its legal representative was Xi Guohua. Its business scope covered: general items: management of enterprise headquarters (the market entity shall independently carry out operating activities according to law based on its business license except for projects subject to approval according to law); Licensed items: financial holding company business (the market entity shall conduct business items that may only be conducted with approval according to law as per approval of competent authorities; it may not engage in business activities of items that are prohibited or restricted by the national and municipal industrial policies).

As at the end of the reporting period, CITIC Financial Holdings and its persons acting in concert held 36,610,129,412 shares of the Bank in aggregate, representing 65.79% of the total issued shares of the Bank, including 33,264,829,933 A shares and 3,345,299,479 H shares. CITIC Financial Holdings directly held 36,028,393,412 shares in the Bank, accounting for 64.75% of the total share capital of the Bank, including 33,264,829,933 A shares and 2,763,563,479 H shares.

5.1.6.2 Ownership Structure among the Bank, Its Controlling Shareholder, and De Facto Controller

As at the end of the reporting period, the ownership structure among the Bank, its controlling shareholder, and its de facto controller was as follows[78]:



In accordance with relevant requirements of the *Provisional Measures for Equity Management of Commercial Banks*, as at the end of the reporting period, the controlling shareholder, de facto controller, person acting in concert, and ultimate beneficiary of CITIC Financial Holdings were as follows:

Name of shareholder	Controlling shareholder	De facto controller	Person acting in concert	Ultimate beneficiary
CITIC Financial Holdings	CITIC Corporation Limited	CITIC Group	CITIC Corporation Limited	CITIC Group

[78] Due to rounding, the total shareholding percentage is slightly different from the sum of the shareholding percentages of direct-holding companies.

5.1.6.3 Equity Interests in Other Major Domestic and Overseas Listed Companies Controlled or Held by the Company's Controlling Shareholder and De Facto Controller

CITIC Financial Holdings is the Bank's controlling shareholder. As at the end of the reporting period, CITIC Financial Holdings held in total 2,939,832,712 shares (2,299,650,108 A shares and 640,182,604 H shares) in CITIC Securities (600030.SH, 06030.HK), accounting for 19.84% of the total equity issued by CITIC Securities, and 351,647,000 H shares in CSC (601066.SH; 06066.HK), accounting for 4.53% of the total equity issued by CSC. Except as disclosed above, CITIC Financial Holdings did not control or hold equity interests in any other domestic or overseas listed company.

Equity interests in other major domestic and overseas listed companies controlled or held by CITIC Group and CITIC Limited (as at the end of the reporting period)

Name of shareholder	Name of listed company	Place of listing	Stock code	Shareholding percentage
CITIC Polaris Limited 27.52% CITIC Glory Limited 25.60%	CITIC Limited	Hong Kong	00267.HK	53.12%
CITIC Corporation Limited 57.32% CITIC Investment Holdings Limited 4.92% CITIC Automobile Limited 2.14%	CITIC Heavy Industries Co., Ltd.	Shanghai	601608.SH	64.38%
CITIC Offshore Helicopter Limited 30.18% CITIC Investment Holdings Limited 8.45% CITIC Guoan Co., Ltd. 0.08%	CITIC Offshore Helicopter Corporation Limited	Shenzhen	000099.SZ	38.71%
CITIC Pacific Special Steel Investment Limited 75.05% Hubei Xinye Steel Co., Ltd. 4.53% CITIC Pacific (China) Investment Co., Ltd. 4.26%	CITIC Pacific Special Steel Group Co., Ltd.	Shenzhen	000708.SZ	83.84%
CITIC Metal Group Co., Ltd. 89.71% CITIC Yulian (Beijing) Enterprise Management Consulting Co., Ltd. 0.06%	CITIC Metal Co., Ltd.	Shanghai	601061.SH	89.77%
CITIC Corporation Limited 62.70% CITIC Investment Holdings Limited 10.80%	CITIC Press Corporation	Shenzhen	300788.SZ	73.50%
CITIC Guoan Co., Ltd. 36.44%	CITIC Guoan Information Industry Co., Ltd.	Shenzhen	000839.SZ	36.44%
CITIC Guoan Industry Group Co., Ltd. 44.93%	CITIC Niya Wine Co., Ltd.	Shanghai	600084.SH	44.93%
Nanjing Nangang Iron & Steel United Co., Ltd. 57.13% Hubei Xinye Steel Co., Ltd. 3.66% Nanjing Iron & Steel United Co., Ltd. 1.97%	Nanjing Iron & Steel Co., Ltd.	Shanghai	600282.SH	62.76%
Keentech Group Ltd 49.57% CITIC Australia Pty Limited 9.55% Fortune Class Investments Limited 0.38%	CITIC Resources Holdings Limited	Hong Kong	01205.HK	59.50%
Ease Action Investments Corp. 33.55% Silver Log Holdings Ltd 16.52% Cuixin Holdings Corporation Limited 3.83% Richtone Enterprises Inc. 3.64%	CITIC Telecom International Holdings Limited	Hong Kong	01883.HK	57.54%

Name of shareholder	Name of listed company	Place of listing	Stock code	Shareholding percentage
CITIC Agriculture Limited 25.20% CITIC Industrial Investment Group Co., Ltd. 0.73%	Yuan Longping High-tech Agriculture Co., Ltd.	Shenzhen	000998.SZ	25.93%
Complete Noble Investments Limited 10.01%	China Overseas Land & Investment Limited	Hong Kong	00688.HK	10.01%
Easy Flow Investments Limited 25.28%	Frontier Services Group Limited	Hong Kong	00500.HK	25.28%
CITIC Metal Africa Investments Limited 21.27%	Ivanhoe Mines Ltd.	Toronto	IVN.TSX IVPAF.OTCQX	21.27%
CITIC Group Corporation Limited 26.46%	China CITIC Financial Asset Management Co., Ltd.	Hong Kong	02799.HK	26.46%

Notes: (1) Due to rounding, the total shareholding percentages may be slightly different from the sum of the shareholding percentages of all direct-holding companies.

(2) The shareholding percentages listed in the table were those of the direct shareholders.

5.1.7 Information on Other Substantial Shareholders

Pursuant to the relevant provisions of the *Provisional Measures for the Management of Equity in Commercial Banks*, in addition to CITIC Financial Holdings, the substantial shareholders of the Bank also include China Tobacco and Summit Idea Limited. As at the end of the reporting period, among members of the Board of Directors of the Bank, one non-executive director was recommended by China Tobacco and one non-executive director was recommended by Summit Idea Limited.

China Tobacco is a mega state-owned enterprise established with approval from the State Council. As at the end of the reporting period, China Tobacco held 2,584,406,960 A shares of the Bank, accounting for 4.64% of the Bank's total shares, with no pledge of the Bank's equity. China Tobacco is an enterprise owned by the whole people with a registered capital of RMB57.0 billion. Its legal representative is Zhang Jianmin. The main business scope of China Tobacco includes the production, operation, and import and export of tobacco monopoly products, as well as the management and operation of state-owned assets.

Summit Idea Limited is a company incorporated in the British Virgin Islands. As at the end of the reporting period, it held via Hong Kong Securities Clearing Company Nominees Limited 2,292,579,000 H shares of the Bank, accounting for 4.12% of the Bank's total shares, with 1,123,363,710 H shares of the Bank pledged as at the end of the reporting period. Summit Idea Limited is a wholly-owned affiliate of Quzhou Development. In addition to the aforementioned, Hong Kong Xinhu Investment Co., Ltd., a wholly-owned subsidiary of Quzhou Development, also held 153,686,000 H shares of the Bank via Hong Kong Securities Clearing Company Nominees Limited, taking up 0.28% of the Bank's total shares. Quzhou Development (SH.600208) was listed on the SSE in 1999 with its principal business being real estate and investment. As at 30 September 2025, Quzhou Development recorded a registered capital of RMB8.5 billion, total assets of RMB97.0 billion, and net assets of RMB42.1 billion.

In accordance with relevant requirements of the *Provisional Measures for Equity Management of Commercial Banks*, as at the end of the reporting period, the above substantial shareholders and their controlling shareholders, de facto controllers, persons acting in concert, and ultimate beneficiaries were as follows:

Name of shareholder	Controlling shareholder	De facto controller	Person acting in concert	Ultimate beneficiary
China Tobacco	State Council	State Council	None	State Council
Summit Idea Limited	Total Partner Global Limited	Quzhou Industrial Holding Group Co., Ltd.	Hong Kong Xinhu Investment Co., Ltd.	Quzhou Industrial Holding Group Co., Ltd.

5.1.8 Other Legal-Person Shareholders Holding 10% or More of the Bank's Shares

As at the end of the reporting period, there were no other legal-person shareholders that held 10% or more of the Bank's shares except CITIC Financial Holdings.

5.1.9 Share Repurchase

There was no share repurchase during the reporting period.

5.2 Preference Shares

5.2.1 Issuance and Listing of Preference Shares

Upon obtaining the *Reply of China Banking Regulatory Commission on Approving China CITIC Bank's Private Offering of Preference Shares and Amendment to the Articles of Association* (CBRC Reply [2015] No. 540) from the former CBRC and the *Reply on Approving China CITIC Bank's Private Offering of Preference Shares* (CSRC License [2016] No. 1971) from the CSRC, the Bank made the non-public offering of 350 million onshore preference shares at RMB100 par value per share on 21 October 2016. These shares were issued at par at a 3.80% initial coupon rate and with no maturity date. These 350 million preference shares, referred to as "CITIC Excellent 1" with the preference share stock code of 360025, had been listed and traded on the SSE's Comprehensive Business Platform on 21 November 2016. Please refer to the relevant announcements published on the official websites of the SSE (www.sse.com.cn), HKEXnews (www.hkexnews.hk), and the Bank (www.citicbank.com) on 10 November 2016 and 16 November 2016 for detailed information thereof.

For three years until the end of the reporting period, the Bank did not issue any preference shares.

5.2.2 Number of Preference Shareholders and Their Shareholdings

As at the end of the reporting period and the end of the month preceding the disclosure date of this report (i.e., 28 February 2026), the Bank recorded 56 and 57 accounts of preference shareholders ("CITIC Excellent 1", code: 360025), respectively. Information on the top 10 preference shareholders at the end of the reporting period is set out in the table below:

Unit: Shares

No.	Name of shareholder (full name)	Nature of shareholder	Changes in shareholding in the reporting period (+, -)	Number of shares by the end of the reporting period	Shareholding percentage (%)	Class of shares held	Number of shares subject to restrictions on sale	Shares pledged or frozen	
								Status	Quantity
1	China Mobile Communications Group Co., Ltd.	State-owned legal person	–	43,860,000	12.53	Onshore preference shares	–	–	–
2	China Life Insurance Company Limited – Dividend – Individual Dividend – 005L – FH002 Shanghai	Others	–	38,430,000	10.98	Onshore preference shares	–	–	–
3	China Life Insurance Company Limited – Traditional – Ordinary Insurance Products – 005L – CT001 Shanghai	Others	–	38,400,000	10.97	Onshore preference shares	–	–	–
4	Ping An Life Insurance Company of China, Ltd. – Universal – Individual Universal Insurance	Others	–	30,700,000	8.77	Onshore preference shares	–	–	–
5	Ping An Life Insurance Company of China, Ltd. – Dividend – Dividends for Individual Insurance	Others	–	30,700,000	8.77	Onshore preference shares	–	–	–
6	Ping An Property & Casualty Insurance Company of China, Ltd. – Traditional – Ordinary Insurance Products	Others	–	19,290,000	5.51	Onshore preference shares	–	–	–
7	CITIC Trust Co., Ltd. – CITIC Trust Youyue No. 3 Collective Capital Trust Plan	Others	+15,400,000	15,400,000	4.40	Onshore preference shares	–	–	–
8	Ping An Trust Co., Ltd. – Ping An Trust Wenyou No. 10 Collective Capital Trust Plan	Others	+14,120,000	14,575,000	4.16	Onshore preference shares	–	–	–

No.	Name of shareholder (full name)	Nature of shareholder	Changes in shareholding in the reporting period (+, -)	Number of shares by the end of the reporting period	Shareholding percentage (%)	Class of shares held	Number of shares subject to restrictions on sale	Shares pledged or frozen	
								Status	Quantity
9	Hwabao Trust Co., Ltd. – Hwabao Trust – Multi-strategy Youying No. 4 Securities Investment Collective Capital Trust Plan	Others	–	10,520,000	3.01	Onshore preference shares	–	–	–
10	China Fund – CMB – China Fund Baofu No. 3 Collective Asset Management Plan	Others	+7,401,300	7,401,300	2.11	Onshore preference shares	–	–	–

Notes: (1) The shareholdings of the preference shareholders were calculated based on the information contained in the preference-share register of the Bank.

(2) Note on related relations or concerted actions of the above preference shareholders: Based on publicly available information, the Bank reached the preliminary conclusion that there was related relation between China Life Insurance Company Limited – Dividend – Individual Dividend – 005L – FH002 Shanghai and China Life Insurance Company Limited – Traditional – Ordinary Insurance Products – 005L – CT001 Shanghai, and among Ping An Life Insurance Company of China, Ltd. – Universal – Individual Universal Insurance, Ping An Life Insurance Company of China, Ltd. – Dividend – Dividends for Individual Insurance, Ping An Property & Casualty Insurance Company of China, Ltd. – Traditional – Ordinary Insurance Products, and Ping An Trust Co., Ltd. – Ping An Trust Wenyou No. 10 Collective Capital Trust Plan. Except for these, the Bank was not aware of any other related relation or concerted action between the above-mentioned preference shareholders or between the above-mentioned preference shareholders and the top 10 ordinary shareholders.

(3) "Shareholding percentage" means the percentage of preference shares held by preference shareholders in the total issued preference shares.

5.2.3 Dividend Distribution for Preference Shares

5.2.3.1 Policy on Dividend Distribution for Preference Shares

A nominal dividend rate subject to phase-specific adjustment shall be applied to the Bank's preference shares. Every five years since the payment date of the subscribed shares constitutes an interest-bearing period, and the same nominal dividend rate shall be applied to the whole period. The nominal dividend rate for the first interest-bearing period was set at 3.80% through bookbuilding. Cash dividends shall be paid for the above-mentioned preference shares on an annual basis, with the interest-bearing principal calculated as the total par value of the issued ongoing preference shares and the interest-bearing date being the final payment date of the subscribed shares (i.e., 26 October 2016). Dividends on the above preference shares shall not be cumulative, i.e., the shortage from a full-amount dividend payout in the current year will not be accumulated to the next interest-bearing year. Except for access to the dividends agreed upon in accordance with the issuance plan, the above-mentioned preference shareholders shall not participate in the distribution of residual profits together with the ordinary shareholders.

Since 26 October 2021, with the benchmark interest rate of "CITIC Excellent 1" being 2.78% for the second interest-bearing period and a fixed premium of 1.30%, the nominal dividend rate recorded 4.08%. Please refer to the relevant announcements published on the official websites of the SSE (www.sse.com.cn), HKEXnews (www.hkexnews.hk), and the Bank (www.citicbank.com) on 27 October 2021 for detailed information thereof.

5.2.3.2 Payment of Dividends on Preference Shares during the Reporting Period

Pursuant to the resolutions and authorization of the shareholders' general meeting, the Bank adopted the 2025 Plan on Payment of Dividends on Preference Shares at the meeting of the Board of Directors convened on 27 August 2025, approving the payment of preference share dividends accrued between 26 October 2024 and 25 October 2025 on 27 October 2025. On 27 October 2025, the Bank paid dividends on the preference shares to all the shareholders of "CITIC Excellent 1" registered with China Securities Depository and Clearing Corporation Limited Shanghai Branch at the close of the SSE trading on 24 October 2025, according to relevant distribution conditions and procedures. The Bank paid out preference share dividends of RMB4.08 per share (tax inclusive), which was calculated at the nominal dividend rate of 4.08% for "CITIC Excellent 1", with total dividend payment for preference shares amounting to RMB1.428 billion (tax inclusive).

For details on the payment of dividends on preference shares, please refer to the Bank's announcements on the official websites of the SSE (www.sse.com.cn), HKEXnews (www.hkexnews.hk) and the Bank (www.citicbank.com) on 18 October 2025.

5.2.4 Redemption or Conversion of Preference Shares

No preference share of the Bank was redeemed or converted during the reporting period.

5.2.5 Restoration of Voting Right of Preference Shares

During the reporting period, there was no restoration of voting rights of preference shares.

5.2.6 Accounting Policies for Preference Shares and the Underlying Reasons

According to the relevant accounting standards promulgated by the Ministry of Finance, namely, *Accounting Standards for Enterprises No. 22 – Recognition and Measurement of Financial Instruments* and *Accounting Standards for Enterprises No. 37 – Presentation of Financial Instruments*, and pursuant to the principal terms of the issuance documents of the Bank's preference shares, the above-mentioned preference shares are eligible to be classified as equity instruments. Hence, the preference shares of the Bank are accounted as equity instruments.

5.3 Issuance and Listing of Securities

5.3.1 Equity Financing

The Bank planned to issue rights shares to existing shareholders (referred to as the "Rights Issue"), and the proceeds raised from the Rights Issue are expected to be no more than RMB40.0 billion (inclusive). All the proceeds raised from the Rights Issue, after deduction of relevant expenses relating to the issuance, will be used for the replenishment of the Bank's core tier-one capital, so as to increase its capital adequacy ratio, support its sustainable and healthy business development in the future, and enhance its capital strength and competitiveness. The Bank obtained the approval from the former CBIRC on the Rights Issue Plan in October 2022, and the Rights Issue application was accepted by the SSE on 3 March 2023. The Rights Issue Plan may only be implemented after obtaining the approval of the SSE and the decision of consent to registration by the CSRC. The Bank held the Annual General Meeting of 2024, the Second A Shareholders Class Meeting of 2025, and the Second H Shareholders Class Meeting of 2025 on 20 June 2025, which reviewed and approved the proposal regarding the extension of the effective period for the resolutions passed in relation to the Rights Issue.

On 1 November 2024, given the circumstance described in Article 60 (ii) of the *Rules Governing the Review of Offering and Listing of Stocks on the Shanghai Stock Exchange*, the Bank needed to replace the accounting firm it engaged, PricewaterhouseCoopers Zhong Tian LLP for the issuance of rights shares to existing A shareholders, and SSE suspended the review procedures of offering and listing for the Bank's issuance of rights shares to existing A shareholders. To ensure the normal progress of the issuance, the Bank engaged KPMG Huazhen LLP as the special audit agency for the Bank's issuance of rights shares to existing A shareholders. On 22 January 2025, as the review suspension was eliminated, the SSE agreed to resume the review of the Bank's refinancing business.

Please refer to the relevant announcements on 28 October 2022, 6 March 2023, 1 November 2024, 24 January 2025, and 21 June 2025 published on the official websites of the SSE (www.sse.com.cn), HKEXnews (www.hkexnews.hk), and the Bank (www.citicbank.com) for details thereof.

During the reporting period, the Bank did not issue new shares.

5.3.2 Issuance and Redemption of Bonds

Issuance of bonds

Pursuant to the *Affirmative Decision of Administrative License* from the People's Bank of China (PBOC Decision [2025] No. 5), the Bank was approved for the issuance of financial bonds. The newly increased balance of financial bonds in 2025 shall not exceed RMB60.0 billion, and the balance of financial bonds at the end of 2025 shall not exceed RMB400.0 billion. Pursuant to the *Reply of the National Financial Regulatory Administration on Issuance of Capital Instruments by China CITIC Bank* (NFRA Reply [2023] No. 467), the Bank was approved to issue capital instruments of up to RMB120.0 billion.

The 2025 Special Financial Bonds for Loans to Small and Micro-sized Enterprises of China CITIC Bank Corporation Limited (Bond Connect) were book-built on 26 March 2025, and the issuance was completed in the national interbank bond market on 28 March 2025. The issuance size was RMB30.0 billion, with a 3-year tenor and a fixed coupon rate of 1.92%. The proceeds from the issuance shall be used to extend loans to small and micro-sized enterprises.

The 2025 Green Financial Bonds of China CITIC Bank Corporation Limited (Tranche 1) (Bond Connect) were book-built on 25 April 2025, and the issuance was completed in the national interbank bond market on 28 April 2025. The issuance size was RMB5.0 billion, with a 3-year tenor and a fixed coupon rate of 1.67%. The proceeds from the issuance will be used for green industrial projects in the *Green Bond Endorsed Project Catalogue (2021 Edition)* in accordance with applicable laws and regulatory approvals.

The 2025 Tier-2 Capital Bonds of China CITIC Bank Corporation Limited (Tranche 1) (Bond Connect) were book-built on 15 May 2025, and the issuance was completed in the national interbank bond market on 19 May 2025. The issuance size was RMB40.0 billion, with a 10-year tenor, a conditional redemption right at the end of the fifth year, and a fixed coupon rate of 1.99%. The proceeds from the issuance will all be used to replenish the Bank's tier-2 capital in accordance with applicable laws and regulatory approvals, so as to improve the Bank's capital structure and promote its steady business development.

The 2025 Sci-tech Innovation Bonds of China CITIC Bank Corporation Limited (Bond Connect) were book-built on 16 May 2025, and the issuance was completed in the national interbank bond market on 20 May 2025. The issuance size was RMB10.0 billion, with a 3-year tenor and a fixed coupon rate of 1.66%. The proceeds from the issuance will be used to extend loans in the field of sci-tech innovation according to applicable laws and regulatory approvals, thereby supporting the development of sci-tech innovation-driven businesses.

The 2025 "Sannong" (Agriculture, Rural Areas and Farmers) Financial Bonds of China CITIC Bank Corporation Limited (Bond Connect) were book-built on 25 November 2025, and the issuance was completed in the national interbank bond market on 27 November 2025. The issuance size was RMB6.0 billion, with a 3-year floating rate structure. The coupon rate for the first interest-rate adjustment period is 1.87%, and the fixed spread is -1.13%. The proceeds from the issuance will be used to extend agriculture-related loans according to applicable laws and regulatory approvals.

Please refer to the relevant announcements published on the official websites of the SSE (www.sse.com.cn), HKEXnews (www.hkexnews.hk) and the Bank (www.citicbank.com) on 29 March 2025, 29 April 2025, 20 May 2025, 21 May 2025 and 28 November 2025 for details of the issuance of the above financial bonds during the reporting period.

Redemption of bonds

On 14 August 2025, the Bank redeemed in full amount the RMB40.0 billion tier-2 capital bonds issued on 14 August 2020 in the national interbank bond market.

Please refer to the relevant announcements published on the official websites of the SSE (www.sse.com.cn), HKEXnews (www.hkexnews.hk), and the Bank (www.citicbank.com) on 15 August 2025 for details of the above bond redemption.

For details of other outstanding bonds issued by the Bank and its subsidiaries, please refer to Notes 39 and 43 to the Financial Statements contained in this report.

5.3.3 Issuance and Conversion of Convertible Bonds

During the reporting period, the Bank's convertible bonds were delisted upon maturity. For details, please refer to "Delisting of Convertible Bonds upon Maturity" of Chapter 4 this report.

5.3.4 Internal Employee Shares

There were no internal employee shares issued by the Bank.

China CITIC Bank Corporation Limited

(Incorporated in the People's Republic of China
with Limited Liability)

Auditor's Report and
Consolidated Financial Statements
For year ended 31 December 2025
(Prepared under IFRS Accounting Standards)

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Independent Auditor's Report To the Shareholders of China CITIC Bank Corporation Limited

(Incorporated in the People's Republic of China with limited liability)

Opinion

We have audited the consolidated financial statements of China CITIC Bank Corporation Limited (the "Bank") and its subsidiaries (the "Group") set out on pages 1 to 178, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG, a Hong Kong (SAR) partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited,

Key audit matters (continued)

Measurement of expected credit losses for loans and advances to customers and financial assets at amortised costs	
See Note 4(c), Note 5(i), Note 21 and Note 22 to the consolidated financial statements.	
The key audit matter	How the matter was addressed in our audit
As at 31 December 2025, the gross balance of loans and advances to customers and accrued interest included for the purpose of expected credit loss assessment in the Group's consolidated statement of financial position, amounted to RMB5,870,792 million, for which management recognized an impairment allowance of RMB139,706 million; the gross balance of financial assets at amortised costs and accrued interest included for the purpose of expected credit loss assessment amounted to RMB1,337,864 million, for which management recognized an impairment allowance of RMB24,964 million. The Group uses an expected credit loss ("ECL") model to measure the loss allowance for loans and advances to customers and financial assets at amortised costs in accordance with IFRS 9, Financial instruments. The determination of ECL allowance of loans and advances to customers and financial assets at amortised costs is subject to the application of a number of key parameters and assumptions, including the credit risk staging, probability of default, loss given default, exposures at default and discount rate, adjustments for forward-looking information and other adjustment factors. Extensive management judgment is involved in the selection of those parameters and the application of the assumptions.	Our audit procedures to assess ECL for loans and advances to customers and financial assets at amortised costs included the following: • With the assistance of KPMG's IT audit specialists, understanding and assessing the design, implementation and operating effectiveness of key internal controls of financial reporting over the approval, recording and monitoring of loans and advances to customers and financial assets at amortised costs, the credit risk staging process and the measurement of ECL for loans and advances to customers and financial assets at amortised costs. • With the assistance of KPMG's financial risk specialists, assessing the appropriateness of the ECL model in determining the loss allowance of loans and advances to customers and financial assets at amortised costs and the appropriateness of the key parameters and assumptions in the model, which included credit risk staging, probability of default, loss given default, exposure at default, adjustments for forward-looking information and other adjustments, and assessing the appropriateness of related key management judgement.

Key audit matters (continued)

Measurement of expected credit losses for loans and advances to customers and financial assets at amortised costs (continued)	
See Note 4(c), Note 5(i), Note 21 and Note 22 to the consolidated financial statements.	
The key audit matter	How the matter was addressed in our audit
The amount of impairment of the loans and advances to customers and financial assets at amortised costs is significant, and the measurement has a high degree of estimation uncertainty. The measurement of ECL applied significant management judgments and assumptions, and involved significant inherent risk. In view of these reasons, we identified this as a key audit matter.	• Assessing the completeness and accuracy of key data used in the ECL model. We compared the total balance of the loans and advances to customers and financial assets at amortised costs used by management to assess the ECL allowance with the general ledger to check the completeness of the data. We also selected samples to compare information of individual loan and advance to customers and financial assets at amortised costs with the underlying agreements and other related documentation. In addition, we checked the accuracy of key external data used by management by comparing them with public sources. • For key parameters used in the ECL model which were derived from system generated internal data, assessing the accuracy of input data by comparing the input data with original documents on a sample basis. In addition, we involved KPMG's IT audit specialists to assess the accuracy of the loans and advances' overdue information on a sample basis.

Key audit matters (continued)

Measurement of expected credit losses for loans and advances to customers and financial investments (continued)	
See Note 4(c), Note 5(i), Note 21 and Note 22 to the consolidated financial statements.	
The key audit matter	How the matter was addressed in our audit
	• Evaluating the reasonableness of management's assessment on whether the credit risk of the loans and advances customers and financial assets at amortised costs have, or have not, increased significantly since initial recognition and whether the loans and advances to customers and financial assets at amortised costs are credit-impaired by selecting risk-based samples. We analyzed the portfolio by industry sector to select samples in industries more vulnerable to the current economic situation and selected samples from borrowers with potential credit risk. For selected samples, we checked loans and advances to customers and financial assets at amortised costs overdue information, making enquiries of the credit managers about the borrowers' business operations, checking borrowers' financial information and researching market information about borrowers' businesses, to check the credit risk status of the borrower, and the reasonableness of credit risk stage. • For corporate loans and advances and financial assets at amortised costs that are credit-impaired, we selected samples to evaluate the forecasted future cash flows prepared by the Group based on financial information of borrowers and guarantors, collateral valuations, other available information and possible future factors together with discount rates in supporting the computation of loss allowance.

Key audit matters (continued)

Measurement of expected credit losses for loans and advances to customers and financial investments (continued)	
See Note 4(c), Note 5(i), Note 21 and Note 22 to the consolidated financial statements.	
The key audit matter	How the matter was addressed in our audit
	• Based on our procedures performed, we selected samples and assessed the accuracy of calculation for loans and advances to customers and financial assets at amortised costs' credit losses by using the ECL model. • Performing retrospective review of ECL model components and significant assumptions to assess whether the results indicate possible management bias on loss estimation. • Assessing the reasonableness of the disclosures in the financial statements in relation to ECL for loans and advances to customers and financial assets at amortised costs against prevailing accounting standards.

Key audit matters (continued)

Consolidation of Structured Entities – Non-principal Guaranteed Wealth Management Products	
See Note 4(a), Note 5(v) and Note 59 to the consolidated financial statements.	
The key audit matter	How the matter was addressed in our audit
As at 31 December 2025, all of non-principal guaranteed wealth management products ("WMPs") issued and managed by the Group are structured entities that are not included in the scope of consolidation. In determining whether the Group retains any partial interests in a structured entity for non-principal guaranteed WMPs or should consolidate it, management is required to consider the power it possesses, its exposure to variable returns, and its ability to use its power to affect returns. These factors are not purely quantitative and need to be considered collectively in the overall substance of the transactions. We have identified this as a key audit matter due to the material balance and significant management judgements were involved in assessing the consolidation of the structured entities for non-principal guaranteed WMPs.	Our audit procedures related to consolidation of structured entities for non-principal guaranteed WMPs included the following: • understanding and assessing the design, implementation, and operating effectiveness of key internal controls of financial reporting over measurement of interests in and consolidation of structured entities for non-principal guaranteed WMPs. • selecting samples of structured entities for non-principal guaranteed WMPs and performing the following procedures: - inspecting the related contracts, internal establishment documents and information disclosed to the investors to understand the purpose of the establishment of the structured entity for non-principal guaranteed WMPs and the involvement the Group has with the structured entity for non-principal guaranteed WMPs and to assess management's judgement over whether the Group can exercise power over the structured entity for non-principal guaranteed WMPs;

Key audit matters (continued)

<table>
<tr><td colspan="2">Consolidation of Structured Entities – Non-principal Guaranteed Wealth Management Products(continued)</td></tr>
<tr><td colspan="2">See Note 4(a), Note 5(v) and Note 59 to the consolidated financial statements.</td></tr>
<tr><td>The key audit matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td></td><td>- performed independent analysis and tests on the variable returns from the structured entities for non-principal guaranteed WMPs, including but not limited to commission income and asset management fees earned, gain from investments, retention of residual income, and, if any, liquidity, and other support provided to the structured entities for non-principal guaranteed WMPs, to assess management's judgement as to the exposure, or rights, to variable returns from the Group's involvement in such an entity;
- inspecting management's analysis of the structured entity for non-principal guaranteed WMPs, including qualitative analysis and the calculation of the magnitude and variability associated with the Group's economic interests in the structured entity for non-principal guaranteed WMPs, to assess management's judgement over the Group's ability to affect its variable returns from the structured entity for non-principal guaranteed WMPs;
- assessing management's judgement over whether the structured entity for non-principal guaranteed WMPs should be consolidated or not.
• assessing the reasonableness of the disclosures in the financial statements in relation to the measurement of interests in and consolidation of structured entities for non-principal guaranteed WMPs against prevailing accounting standards.</td></tr>
</table>

Information other than the consolidated financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon as part of our engagement to audit the consolidated financial statements. We have performed an assurance engagement on the disclosed continuing connected transactions that form part of the other information and provided a separate assurance practitioner's conclusion thereon that is included within the other information.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards, and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Wong Yuen Shan (practising certificate number: P04563).

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

20 March 2026

Consolidated Statement of Profit or Loss
For the year ended 31 December 2025
(Amounts in millions of Renminbi unless otherwise stated)

	Note	Years ended 31 December 2025	2024
Interest income		284,588	309,791
Interest expense		(140,119)	(163,112)
Net interest income	6	144,469	146,679
Fee and commission income		38,433	35,971
Fee and commission expense		(5,661)	(4,931)
Net fee and commission income	7	32,772	31,040
Net trading gain	8	5,603	6,831
Net gain from investment securities	9	25,286	27,111
Net hedging gain		-	2
Other operating income	10	4,506	1,560
Operating income		212,636	213,223
Operating expenses	11	(70,880)	(71,938)
Operating profit before impairment		141,756	141,285
Credit impairment losses	12	(57,939)	(61,045)
Impairment losses on other assets		(233)	(68)
Revaluation losses on investment properties		(86)	(24)
Share of profit of associates and joint ventures		545	715
Profit before tax		84,043	80,863
Income tax expense	13	(12,553)	(11,395)
Profit for the year		71,490	69,468
Net profit attributable to:			
Equity holders of the Bank		70,618	68,576
Non-controlling interests		872	892
Earnings per share attributable to the ordinary shareholders of the Bank			
Basic earnings per share (RMB)	15	1.20	1.22
Diluted earnings per share (RMB)	15	1.20	1.20

The accompanying notes form an integral part of these consolidated annual financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2025
(Amounts in millions of Renminbi unless otherwise stated)

	Note	Years ended 31 December 2025	2024
Profit for the year		71,490	69,468
Other comprehensive income, net of tax			
Items that will not be reclassified to profit or loss (net of tax):			
- Fair value changes on financial investments designated at fair value through other comprehensive income		(285)	(82)
- Changes in defined benefit plan liabilities		-	(1)
Items that may be reclassified subsequently to profit or loss (net of tax):			
- Other comprehensive income transferable to profit or loss under equity method		(31)	15
- Fair value changes on financial assets at fair value through other comprehensive income		(11,191)	10,737
- Impairment allowance on financial assets at fair value through other comprehensive income		216	384
- Exchange difference on translation of foreign financial statements statements		(2,740)	1,767
- Others		52	94
Other comprehensive income, net of tax	14	(13,979)	12,914
Total comprehensive income for the year		57,511	82,382
Total comprehensive income attribute to:			
Equity holders of the Bank		56,449	81,381
Non-controlling interests		1,062	1,001

The accompanying notes form an integral part of these consolidated annual financial statements.

Consolidated Statement of Financial Position
As at 31 December 2025
(Amounts in millions of Renminbi unless otherwise stated)

	Note	*31 December 2025*	*31 December 2024*
Assets			
Cash and balances with central banks	16	386,916	340,915
Deposits with banks and non-bank financial institutions	17	141,197	128,193
Precious metals		28,851	12,387
Placements with and loans to banks and non-bank financial institutions	18	446,098	404,801
Derivative financial assets	19	41,026	85,929
Financial assets held under resale agreements	20	169,640	136,265
Loans and advances to customers	21	5,746,871	5,601,450
Financial investments	22		
- at fair value through profit or loss		678,778	647,398
- at amortised cost		1,312,900	1,118,989
- at fair value through other comprehensive income		926,913	849,781
- designated at fair value through other comprehensive income		8,234	4,702
Investments in associates and joint ventures	23	8,787	7,349
Investment properties	25	520	578
Property, plant and equipment	26	74,534	46,516
Right-of-use assets	27	10,337	11,035
Intangible assets	28	2,513	3,419
Goodwill	29	916	959
Deferred tax assets	30	54,670	54,130
Other assets	31	91,327	77,926
Total assets		10,131,028	9,532,722

Consolidated Statement of Financial Position
As at 31 December 2025 (continued)
(Amounts in millions of Renminbi unless otherwise stated)

	Note	*31 December 2025*	*31 December 2024*
Liabilities			
Borrowings from central banks		204,025	124,151
Deposits from banks and non-bank financial institutions	33	936,672	968,492
Placements from banks and non-bank financial institutions	34	159,013	88,550
Financial liabilities at fair value through profit or loss		1,296	1,719
Derivative financial liabilities	19	44,364	81,162
Financial assets sold under repurchase agreements	35	477,502	278,003
Deposits from customers	36	6,127,012	5,864,311
Accrued staff costs	37	20,977	20,318
Taxes payable	38	4,642	7,645
Debt securities issued	39	1,214,339	1,224,038
Lease liabilities	27	10,249	10,861
Provisions	40	10,218	9,990
Deferred tax liabilities	30	128	39
Other liabilities	41	72,961	46,078
Total liabilities		9,283,398	8,725,357

Consolidated Statement of Financial Position
As at 31 December 2025 (continued)
(Amounts in millions of Renminbi unless otherwise stated)

	Note	*31 December 2025*	*31 December 2024*
Equity			
Share capital	42	55,645	54,397
Other equity instruments	43	104,948	105,499
Capital reserve	44	95,566	89,286
Other comprehensive income	45	3,007	16,862
Surplus reserve	46	74,099	67,629
General reserve	47	120,314	111,723
Retained earnings	48	375,234	343,868
Total equity attributable to equity holders of the Bank		828,813	789,264
Non-controlling interests	49	18,817	18,101
Total equity		847,630	807,365
Total liabilities and equity		10,131,028	9,532,722

The accompanying notes form an integral part of these consolidated annual financial statements.

Approved and recognized for issue by the board of directors on 20 March 2026.

Fang Heying
Chairman, Executive Director
(performing the duties of the President, in charge of finance and accounting work)

Kang Chao
Head of the Finance and Accounting Department

Company stamp

Consolidated Statement of Changes in Equity
For the year ended 31 December 2025
(Amounts in millions of Renminbi unless otherwise stated)

		Equity attributable to equity holders of the Bank							*Non-controlling interests*		
	Note	*Share capital*	*Other equity instruments*	*Capital reserve*	*Other comprehensive income*	*Surplus reserve*	*General reserve*	*Retained earnings*	*Ordinary shareholders in subsidiaries*	*Other equity instruments holders*	*Total equity*
As at 1 January 2025		54,397	105,499	89,286	16,862	67,629	111,723	343,868	10,411	7,690	807,365
(i) Net profit		-	-	-	-	-	-	70,618	526	346	71,490
(ii) Other comprehensive income	14	-	-	-	(14,169)	-	-	-	190	-	(13,979)
Total comprehensive income		-	-	-	(14,169)	-	-	70,618	716	346	57,511
(iii) Investor capital											
- Conversion of convertible corporate bonds to equity		1,248	(551)	6,280	-	-	-	-	-	-	6,977
(iv) Profit appropriations											
- Appropriations to surplus reserve	46	-	-	-	-	6,470	-	(6,470)	-	-	-
- Appropriations to general reserve	47	-	-	-	-	-	8,591	(8,591)	-	-	-
- Dividend distribution to ordinary shareholders of the Bank	48	-	-	-	-	-	-	(20,043)	-	-	(20,043)
- Dividend distribution to preference shareholders	48	-	-	-	-	-	-	(1,428)	-	-	(1,428)
- Interest paid to holders of perpetual bonds	48	-	-	-	-	-	-	(2,406)	-	(346)	(2,752)
(v) Transfers within the owners' equity											
- Other comprehensive income transferred to retained earnings		-	-	-	314	-	-	(314)	-	-	-
As at 31 December 2025		55,645	104,948	95,566	3,007	74,099	120,314	375,234	11,127	7,690	847,630

Consolidated Statement of Changes in Equity
For the year ended 31 December 2024
(Amounts in millions of Renminbi unless otherwise stated)

		Equity attributable to equity holders of the Bank							*Non-controlling interests*		
	Note	*Share capital*	*Other equity instruments*	*Capital reserve*	*Other comprehensive income*	*Surplus reserve*	*General reserve*	*Retained earnings*	*Ordinary shareholders in subsidiaries*	*Other equity instruments holders*	*Total equity*
As at 1 January 2024		48,967	118,060	59,400	4,057	60,992	105,127	320,619	9,763	7,690	734,675
(i) Net profit		-	-	-	-	-	-	68,576	544	348	69,468
(ii) Other comprehensive income	14	-	-	-	12,805	-	-	-	109	-	12,914
Total comprehensive income		-	-	-	12,805	-	-	68,576	653	348	82,382
(iii) Investor capital											
- Conversion of convertible corporate bonds to equity		5,430	(2,568)	29,897	-	-	-	-	-	-	32,759
- Issuance of perpetual bonds	43	-	30,000	(4)	-	-	-	-	-	-	29,996
- Redemption of perpetual bonds	43	-	(39,993)	(7)	-	-	-	-	-	-	(40,000)
(iv) Profit appropriations											
- Appropriations to surplus reserve	46	-	-	-	-	6,637	-	(6,637)	-	-	-
- Appropriations to general reserve	47	-	-	-	-	-	6,596	(6,596)	-	-	-
- Dividend distribution to ordinary shareholders of the Bank	48	-	-	-	-	-	-	(27,306)	-	-	(27,306)
- Dividend distribution to preference shareholders	48	-	-	-	-	-	-	(1,428)	-	-	(1,428)
- Dividend distribution to non-controlling interests		-	-	-	-	-	-	-	(5)	-	(5)
- Interest paid to holders of perpetual bonds	48	-	-	-	-	-	-	(3,360)	-	(348)	(3,708)
As at 31 December 2024		54,397	105,499	89,286	16,862	67,629	111,723	343,868	10,411	7,690	807,365

The accompanying notes form an integral part of these consolidated annual financial statements.

Consolidated Statement of Cash Flows
For the year ended 31 December 2025
(Amounts in millions of Renminbi unless otherwise stated)

	Years ended 31 December	
	2025	*2024*
Operating activities		
Profit before tax	84,043	80,863
Adjustments for:		
- revaluation gains on investments, derivatives and investment properties	(223)	(3,803)
- investment gains	(22,897)	(19,973)
- net gains of property, plant and equipment, intangible assets and other assets	(100)	(154)
- unrealised foreign exchange losses / (gains)	3,323	(2,896)
- credit impairment losses	57,939	61,045
- impairment losses on other assets	233	68
- depreciation and amortisation	4,667	5,072
- interest expense on debt securities issued	26,121	27,608
- dividend income from equity investment	(172)	(196)
- depreciation of right-of-use assets and interest expense on lease liabilities	3,407	3,692
- income tax paid	(15,011)	(9,841)
Subtotal	141,330	141,485

Consolidated Statement of Cash Flows
For the year ended 31 December 2025 (continued)
(Amounts in millions of Renminbi unless otherwise stated)

	Years ended 31 December	
	2025	*2024*
Changes in operating assets and liabilities:		
Decrease in balances with central banks	22,187	30,381
Decrease in deposits with banks and non-bank financial institutions	17,891	7,715
Increase in placements with and loans to banks and non-bank financial institutions	(70,157)	(124,278)
Increase in financial assets held under resale agreements	(31,607)	(30,168)
Increase in loans and advances to customers	(178,739)	(258,336)
Decrease in financial assets at fair value through profit or loss	7,455	9,738
Increase / (Decrease) in borrowings from central banks	79,975	(148,593)
(Decrease) / Increase in deposits from banks and non-bank financial institutions	(30,333)	40,871
Increase / (Decrease) in placements from banks and non-bank financial institutions	64,868	(2,211)
(Decrease) / Increase in financial liabilities at fair value through profit or loss	(359)	93
Increase / (Decrease) in financial assets sold under repurchase agreements	199,515	(186,823)
Increase in deposits from customers	293,536	365,813
Increase in other operating assets	(71,660)	(43,595)
(Decrease) / Increase in other operating liabilities	(820)	16,876
Subtotal	301,752	(322,517)
Net cash flows from / (used in) operating activities	443,082	(181,032)

Consolidated Statement of Cash Flows
For the year ended 31 December 2025 (continued)
(Amounts in millions of Renminbi unless otherwise stated)

	Years ended 31 December	
	2025	*2024*
Investing activities		
Proceeds from disposal and redemption of investments	6,365,852	3,848,154
Proceeds from disposal of property, plant and equipment, land use rights, and other assets	237	260
Cash received from equity investment income	604	1,070
Payments on acquisition of investments	(6,636,958)	(3,860,233)
Payments on acquisition of property, plant and equipment, land use rights and other assets	(37,820)	(18,783)
Net cash flows used in investing activities	(308,085)	(29,532)
Financing activities		
Cash received from issuing other equity instruments	-	30,000
Cash received from debt securities issued	1,641,535	1,553,890
Cash paid for redemption of other equity instruments	-	(39,993)
Cash paid for redemption of debt securities issued	(1,644,658)	(1,261,613)
Interest paid on debt securities issued	(26,798)	(28,178)
Cash paid for dividends	(26,745)	(29,925)
Cash paid in connection with other financing activities	(3,126)	(3,378)
Net cash flows (used in) / from financing activities	(59,792)	220,803

Consolidated Statement of Cash Flows
For the year ended 31 December 2025 (continued)
(Amounts in millions of Renminbi unless otherwise stated)

	Note	Years ended 31 December 2025	2024
Increase in cash and cash equivalents		75,205	10,239
Cash and cash equivalents as at 1 January		262,779	249,002
Effect of exchange rate changes on cash and cash equivalents		(5,572)	3,538
Cash and cash equivalents as at 31 December	50	332,412	262,779
Cash flows from operating activities include:			
Interest received		291,707	317,099
Interest paid		(121,860)	(118,514)

The accompanying notes form an integral part of these consolidated annual financial statements.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2025
(Amounts in millions of Renminbi unless otherwise stated)

1 Corporate information

China CITIC Bank Corporation Limited (the "Bank" or "CNCB") is a joint stock company incorporated in the People's Republic of China (the "PRC" or "Mainland China") on 31 December 2006. Headquartered in Beijing, the Bank's registered office is located at 6-30F and 32-42F No.10 Guanghua Road, Chaoyang District, Beijing, China. The Bank listed its A shares and H shares on the Shanghai Stock Exchange and the Main Board of The Stock Exchange of Hong Kong Limited, respectively on 27 April 2007.

The Bank operates under financial services certificate No. B0006H111000001 issued by the National Financial Regulatory Administration (the former "China Banking and Insurance Regulatory Commission", the "NFRA"), and unified social credit code No. 91110000101690725E issued by the State Administration of Industry and Commerce of the PRC.

The principal activities of the Bank and its subsidiaries (collectively the "Group") are the provision of corporate and personal banking services, conducting treasury business, the provision of asset management, financial leasing, wealth management, market-based debt to equity swaps and equity investment services and other non-banking financial services.

As at 31 December 2025, the Group mainly operates in Mainland China with branches covering 31 provinces, autonomous regions and municipalities, and overseas. In addition, the Bank's subsidiaries have operations in Mainland China, the Hong Kong Special Administrative Region of PRC ("Hong Kong"), the Macau Special Administrative Region of the PRC ("Macau") and other overseas countries and regions.

For the purpose of these consolidated annual financial statements, Mainland China refers to the PRC excluding Hong Kong, Macau and Taiwan. Overseas refers to countries and regions other than Mainland China.

The consolidated annual financial statements were approved by the Board of Directors of the Bank on 20 March 2026.

2 Basis of preparation

These consolidated financial statements have been prepared on a going concern basis. The consolidated financial statements for the year ended 31 December 2025 comprise the Bank and its subsidiaries, associates and joint ventures.

(a) Accounting year

The accounting year of the Group is from 1 January to 31 December.

2 Basis of preparation (continued)

(b) Functional currency and presentation currency

The functional currency of the Group's domestic branches and subsidiaries is Renminbi ("RMB"). The functional currencies of overseas subsidiaries are determined in accordance with the primary economic environment in which they operate, and are translated into Renminbi for the preparation of the consolidated financial statements according to Note 4 (b)(ii). The consolidated financial statements of the Group are presented in Renminbi and, unless otherwise stated, expressed in millions of Renminbi.

3 Principal accounting policies

These consolidated financial statements have been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"), and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

These consolidated financial statements have been prepared under the historical cost convention, as modified by financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss and at fair value through other comprehensive income, and investment properties, which are carried at fair value.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(a) Standards and amendments effective in 2025 relevant to and adopted by the Group

In the current reporting period, the Group has adopted the following amended IFRS Accounting Standards amendments issued by the International Accounting Standards Board ("IASB"), that are mandatorily effective for the current reporting period.

- Lack of Exchangeability – Amendments to IAS 21

The amendments specify when a currency is exchangeable into another currency and when it is not, and how an entity determines a spot rate when a currency lacks exchangeability. Under the amendments, entities are required to provide additional disclosures to help users evaluate how a currency's lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows.The adoption of the amendment does not have significant impacts on the consolidated financial statements of the Group. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 Principal accounting policies (continued)

(b) Standards and amendments relevant to the Group that are not yet effective and have not been adopted before their effective dates in 2025

Effective date	*New accounting standards or amendments*	*Notes*
1 January 2026	Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	(i)
1 January 2026	Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	(ii)
1 January 2026	Annual Improvements to IFRS Accounting Standards – Volume 11	(iii)
1 January 2027	IFRS 18 Presentation and Disclosure in Financial Statements	(iv)
1 January 2027	IFRS 19 Subsidiaries without Public Accountability: Disclosures	(v)
Available for optional adoption/effective date deferred indefinitely	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28	(vi)

(i) Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

On 30 May 2024, the IASB issued amendments to IFRS 9 and IFRS 7, which include requirements on clarifying the classification of financial assets with environmental, social or governance ("ESG") targets and similar features, the settlement of liabilities through electronic payment systems, and disclosures regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent feature. The Group anticipates that the adoption of the amendments will not have a significant impact on the Group's consolidated financial statements.

(ii) Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

On 18 December 2024, the IASB issued targeted amendments – Contracts referencing naturedependent electricity (Amendments to IFRS 9 and IFRS 7), which include guidance on clarifying the application of the "own-use" requirements; permitting hedge accounting if these contracts are used as hedging instruments; and adding new disclosure requirements. The Group anticipates that the adoption of the amendments will not have a significant impact on the Group's consolidated financial statements.

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

On 18 July 2024, the IASB published the Annual Improvements to IFRS Accounting Standards - Volume 11, which contains narrow amendments to IFRS Accounting Standards and accompanying guidance as part of its regular maintenance of the Standards. The Group anticipates that the adoption of the amendments will not have a significant impact on the Group's consolidated financial statements.

3 Principal accounting policies (continued)

(iv) IFRS 18 Presentation and Disclosure in Financial Statements

On 9 April 2024, the IASB issued IFRS 18, which aims to improve the transparency and comparability of information about an entity's financial performance by introducing a more structured income statement, enhancing disclosures on management-defined performance measures, and enhancing requirements on aggregation and disaggregation of information. The Group is evaluating the impact of the standards.

(v) IFRS 19 Subsidiaries without Public Accountability: Disclosures

On 5 May 2024, the IASB issued IFRS 19, which allows subsidiaries that do not have public accountability and have its parent producing consolidated financial statements that are available for public use under IFRS Accounting Standards to apply IFRS 19 with reduced disclosures. The Group anticipates that the adoption of the amendments will not have a significant impact on the Group's consolidated financial statements.

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

The amendments address an inconsistency between IFRS 10 and IAS 28 in the sale and contribution of assets between an investor and its associate or joint venture. A full gain or loss is recognized when a transaction involves a business. A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if those assets are in a subsidiary. The Group anticipates that the adoption of the amendments will not have a significant impact on the Group's consolidated financial statements.

3 Principal accounting policies (continued)

(c) Change in accounting policy

The Group voluntarily made a change in accounting policy regarding contracts to buy or sell standard warehouse warrant that do not meet the own-use exception. Previously, upon the physical settlement of such transactions , the Group recognized sales revenue and cost of sales when the customer obtained the control of the underlying commodities. Considering the practical guidance issued by the relevant regulatory authority and reflecting the economic substance of these transactions, effective on 1 January 2025, such transactions are accounted for as settlement of the sales contracts without recognising any sales revenue or cost of sales.The standard warehouse warrant held at the end of the reporting period that remain unsold are presented as other assets. The impact of this change in accounting policy has been applied retrospectively, and comparative figures have been adjusted accordingly.

The adoption of the above regulations has no impact on the total profit, net profit, total assets and net assets of the Group during comparable periods. The impact of other accounts is summarized as follows:

Years ended 31 December 2024	The Group		
	Before adjustment	Adjustment amount	After adjustment
Fee and commission income	37,414	(1,443)	35,971
Fee and commission expense	(6,312)	1,381	(4,931)
Net trading gain	6,769	62	6,831

31 December 2024	The Group		
	Before adjustment	Adjustment amount	After adjustment
Precious metals	13,580	(1,193)	12,387
Other assets	76,733	1,193	77,926

4 Summary of significant accounting policies

(a) Consolidated financial statements

(i) Business combinations involving enterprises under common control

A business combination involving enterprises under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The assets and liabilities assumed are measured based on their carrying amounts in the financial statements of the acquiree at the combination date. The difference between the share of carrying amount of the net assets acquired and the consideration paid for the combination (or the total face value of shares issued) is adjusted against share premium in the capital reserve with any excess adjusted against retained earnings. The issuance costs of equity or debt securities as a part of the consideration for the acquisition are included in the carrying amounts of these equity or debt securities upon initial recognition. Other acquisition-related costs are expensed when incurred. The combination date is the date on which one combining enterprise obtains control of other combining enterprises.

(ii) Business combinations not involving entities under common control

A business combination involving entities not under common control is a business combination in which all of the combining entities are not ultimately controlled by the same party or parties before the business combination. Where (i) the aggregate of the acquisition date fair value of assets transferred (including the acquirer's previously held equity interest in the acquiree), liabilities incurred or assumed, and equity securities issued by the acquirer, in exchange for control of the acquiree, exceeds (ii) the acquirer's interest in the acquisition date fair value of the acquiree's identifiable net assets, after considering the impact of relevant deferred income tax, the difference is recognized as goodwill (Note 4 (k)). If (i) is less than (ii), the difference is recognized in the consolidated statement of profit or loss for the current period. The issuance costs of equity or debt securities as a part of the consideration for the acquisition are included in the carrying amounts of these equity or debt securities upon initial recognition. Other acquisition-related costs are expensed as incurred. Any difference between the fair value and the carrying amount of the assets transferred as consideration is recognized in the consolidated statement of profit or loss. The acquiree's identifiable asset, liabilities and contingent liabilities, if the recognition criteria are met, are recognized by the Group at their acquisition date fair value. The acquisition date is the date on which the acquirer obtains control of the acquiree.

For a business combination not involving enterprises under common control and achieved in stages, the Group remeasures its previously-held equity interest in the acquiree to its fair value at the acquisition date. The difference between the fair value and the carrying amount is recognized as investment income for the current period. The amount recognized in other comprehensive income relating to the previously-held equity interest in the acquire that can be reclassified into profits and losses in the future and other changes in owner's equity accounted by the equity method will be reclassified to profit or loss.

4 Summary of significant accounting policies (continued)

(iii) Consolidated financial statements

The scope of consolidated financial statements is based on control and the consolidated financial statements comprise the Bank and its subsidiaries, as well as structured entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Bank has power, only substantive rights (held by the Bank and other parties) are considered. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Non-controlling interest is presented separately in the consolidated statement of financial position within owners' equity. Profit or loss and total comprehensive income attributable to non-controlling equity holders are presented separately in the consolidated statement of profit or loss and other comprehensive income.

When the amount of loss for the current period attributable to the non-controlling interest of a subsidiary exceeds the non-controlling interest's portion of the opening balance of equity holders' equity of the subsidiary, the excess is allocated against the non-controlling interests.

When the accounting period or accounting policies of a subsidiary are different from those of the Bank, the Bank makes necessary adjustments to the financial statements of the subsidiary based on the Bank's own accounting period or accounting policies. Intra-group balances, transactions and cash flows, and any recognized profits arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated only limited to the extent that this is no evidence of impairment.

Where a subsidiary was acquired during the reporting period, through a business combination involving enterprises under common control, the financial statements of the subsidiary are included in the consolidated financial statements as if the combination had occurred at the date the ultimate controlling party first obtained control. Therefore, the opening balances and the comparative figures of the consolidated financial statements are restated.

Where a subsidiary was acquired during the reporting period, through a business combination not involving enterprises under common control, the identifiable assets and liabilities of the acquired subsidiaries are included in the scope of consolidation from the date that control commences, based on the fair value of those identifiable assets and liabilities at the acquisition date.

The difference between the costs of long-term investments newly acquired by the Bank by acquiring minority interests and the fair value of the Bank's share of the net identifiable assets of its subsidiaries calculated based on the increased shareholding, and the difference between the proceeds the Bank obtained from partial disposal of its equity investments in its subsidiaries without ceasing control over the subsidiaries and its share of the net assets of the subsidiaries that corresponds to the disposed longterm equity investments, shall both be recognized as adjustments to reduce the capital reserve (share premium) of the consolidated statement of financial position, and if the capital reserve (share premium) is not sufficient to cover the reductions, the excess is charged to the retained earnings.

4 Summary of significant accounting policies (continued)

When the Group loses control of a subsidiary due to the disposal of a portion of an equity investment, the Group derecognized assets, liabilities, non-controlling interests and other related items in equity holders' equity in relation to that subsidiary. The remaining equity investment is remeasured at its fair value at the date when control is lost. Any gains or losses therefore incurred are recognized as investment income for the current period when the control is lost.

If there is a difference between the accounting entity of the Group and the accounting entity of the Bank or a subsidiary on measuring the same transaction, the transaction will be adjusted from the perspective of the Group.

(b) Foreign currency translations

(i) Translation of foreign currency transactions

When the Group receives capital in foreign currencies from investors, the capital is translated to Renminbi at the spot exchange rate at the date of the receipt. Other foreign currency transactions are, on initial recognition, translated into Renminbi by applying the spot exchange rates at the dates of the transaction. Monetary items denominated in foreign currencies are translated to Renminbi at the spot exchange rate at the reporting date. The resulting exchange differences are recognized in the consolidated statement of profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated to Renminbi using the exchange rate at the transaction date.

Non-monetary items that are measured at fair value in a foreign currency are translated using the foreign exchange rate at the date the fair value is determined. The differences arising from the translation of financial assets at fair value through other comprehensive income is recognized in other comprehensive income. Changes in the fair value of monetary assets denominated in foreign currency classified as financial assets at fair value through other comprehensive income are analysed between translation differences resulting from changes in the amortised cost of the monetary assets and other changes in the carrying amount. Translation differences related to changes in the amortised cost are recognized in the consolidated statement of profit or loss, and other changes in the carrying amount are recognized in other comprehensive income. The translation differences resulting from other monetary assets and liabilities are recognized in the consolidated statement of profit or loss.

(ii) Translation of financial statements denominated in foreign currency

Financial statements denominated in foreign currency are translated into Renminbi for the preparation of consolidated financial statements. The assets and liabilities in the financial statements denominated in foreign currency are translated into Renminbi at the spot exchange rates prevailing at the reporting date. The equity items, except for "retained earnings", are translated to Renminbi at the spot exchange rates at the dates on which such items arose. Income and expenses are translated at exchange rates at the date of the transactions, or a rate that approximates the exchange rates of the date of the transaction. The resulting exchange differences are recognized in other comprehensive income.

4 Summary of significant accounting policies (continued)

Upon disposal of a foreign operation, the cumulative amount of the translation differences recognized in equity holders' equity which relates to that foreign operation is transferred to profit or loss in the period in which the disposal occurs. The effect of exchange rate changes on cash and cash equivalents held or due in a foreign currency are reported in the statement of cash flows.

(c) Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset.

(i) Initial recognition and classification of financial instruments

Financial assets

Financial assets are classified on the basis of the Group's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets:

- Fair value through profit or loss ("FVPL");
- Fair value through other comprehensive income ("FVOCI"); or
- Amortised cost

The business model adopted by the Group for managing its financial assets refers to how the Group manages its financial assets in order to generate cash flows. The business model determines whether the cash flows from the financial assets managed by the Group come from the collection of contractual cash flows, sale of financial assets or a combination of the two methods. In determining the business model for a group of financial assets, the Group considers various factors, including past experience in collecting cash flows from this group of assets; how to assess the performance of this group of asset and report it to key management personnel; how to assess and manage risks are; and how to compensate people responsible for managing these assets, among others.

The contractual cash flow characteristics of financial assets refer to contractual terms as agreed in the financial instrument contracts that reflect the economic characteristics of the financial assets, i. e., the contractual cash flows arising at a specified date from the financial assets at amortised cost or FVOCI are solely payments of principal and interest on the principal amount outstanding. Of which, the principal is the fair value of the financial asset at initial recognition, and the amount of the principal may change over the life of the financial asset, if, e. g., there are repayments of principal; and the interest includes consideration for the time value of money, and credit risk, other basic lending risks and costs associated with holding the financial asset for a particular period of time.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

4 Summary of significant accounting policies (continued)

The classification requirements for debt instruments and equity instruments are described below:

Debt Instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective. Classification and subsequent measurement of debt instruments depend on: i) the Group's business model for managing the asset; and ii) the cash flow characteristics of the asset.

Based on these factors, the Group classifies its debt instruments into one of the following three measurement categories:

- Amortised cost: Assets that are held for collection of contractual cashflows where those cash flows represent solely payments of principal and interest ("SPPI"), and that are not designated at FVPL, are measured at amortised cost.

- Fair value through other comprehensive income: Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at FVOCI.

- Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL.

The Group may also irrevocably designate financial assets at fair value through profit or loss if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting the liabilities. A financial instrument is an equity instrument if, and only if, both conditions i) and ii) below are met:

i) The financial instrument includes no contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; and

ii) If the financial instrument will or may be settled in the Group's own equity instruments, it is a non-derivative instrument that includes no contractual obligations for the Group to deliver a variable number of its own equity instruments; or a derivative that will be settled only by the Group exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

4 Summary of significant accounting policies (continued)

Equity investments of the Group are measured at FVPL, except where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI. The Group's policy is to designate equity investments as FVOCI when those investments are held for purposes other than trading. After designation, the fair value change is recognized in the other comprehensive income and it is not allowed to subsequently reclassify to profit or loss (including upon disposal). Impairment loss and reversal of impairment is not presented separately in the financial statements and is included in the fair value change. Dividend income as the return from investments is recognized by the Group when the right to receive is formed.

Financial liabilities

The Group's financial liabilities are classified into financial liabilities at FVPL and other financial liabilities carried at amortised cost on initial recognition. Financial liabilities at FVPL is applied to derivatives, financial liabilities held for trading and financial liabilities designated as such at initial recognition.

The Group may, at initial recognition, irrevocably designate a financial liability as measured at fair value through profit or loss when doing so results in more relevant information, because either:

i) it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

ii) a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Group is provided internally on that basis to the Group's key management personnel.

(ii) Measurement of financial assets

Initial measurement

At initial recognition, the Group measures a financial asset or financial liability at its fair value. For a financial asset or financial liability at fair value through profit or loss, transaction costs are directly recognized in profit or loss. For other financial asset or liability, transaction costs are recognized in the initial measurement.

Subsequent measurement

Subsequent measurement of financial instruments depends on the categories:

Financial assets and financial liabilities measured at amortised cost

The amortised cost is the amount at which the financial asset is measured at initial recognition: i) minus the principal; ii) plus or minus the cumulative recognized using the effective interest method of any difference between that initial amount and maturity amount; iii) for financial assets, adjusted for any loss allowance. The financial instruments held by the Group that are measured at amortized cost mainly include loans and advances, debt investments, etc., which are measured at amortized cost.

4 Summary of significant accounting policies (continued)

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses ('ECL') and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate. For purchased or originated credit-impaired ('POCI') financial assets - assets that are credit-impaired at initial recognition - the Group calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of this gross carrying amount and incorporates the impact of ECL in estimated future cash flows.

Interest income is calculated by applying the effective interest rate to the carrying amount of a financial asset, except for:

i) a POCI financial asset, whose interest income is calculated, since initial recognition, by applying the credit-adjusted effective interest rate to its amortised cost; and

ii) a financial asset that is not a POCI financial asset but has subsequently become credit-impaired, whose interest income is calculated by applying the effective interest rate to its amortised cost. If, in a subsequent period, the financial asset improves its quality so that it is no longer credit-impaired and the improvement in credit quality can be related objectively to a certain event occurring after the application of the above-mentioned rule, then the interest income can again be calculated by applying the effective interest rate to its gross carrying amount. Interest income from these financial assets is included in 'interest income' using the effective interest rate method.

For floating-rate financial assets and floating-rate financial liabilities, periodic re-estimation of cash flows to reflect the movements in the market rates of interest alters the effective interest rate. If a floating-rate financial asset or a floating rate financial liability is recognized initially at an amount equal to the principal receivable or payable on maturity, re-estimating the future interest payments normally has no significant effect on the carrying amount of the asset or the liability.

If the Group revises its estimates of payments or receipts, the difference between the gross carrying amount of the financial asset or amortised cost of a financial liability calculated from revised estimated contractual cash flows and the present value of the estimated future contractual cash flows that are discounted at the financial instrument's original effective interest rate should be recognized in profit or loss.

Financial assets at fair value through other comprehensive income

Debt instruments

Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses on the instrument's amortised cost which are recognized in profit or loss. The financial instruments held by the Group that are measured at fair value through other comprehensive income mainly include loans and advances, financial investments, etc., which are measured at fair value through other comprehensive income.

4 Summary of significant accounting policies (continued)

When the financial assets is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss and recognized in 'Net investment income'. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Equity instruments

Where an investment in an equity investment not held for trading is designated as a financial asset measured at fair value through other comprehensive income, the fair value changes of the financial asset is derecognized in the other comprehensive income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from other comprehensive income to retained earnings. The dividends on the investment are recognized in profit or loss only when the Group's right to receive payment of the dividends is established.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are stated at fair value and a gain or loss on the financial assets that is measured at fair value should be recognized in profit or loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are measured at fair value with all gains or losses recognized in the profit or loss of the current period, except for financial liabilities designated as at fair value through profit or loss, where gains or losses on the financial liabilities are treated as follows:

- changes in fair value of such financial liabilities due to changes in the Group's own credit risk are recognized in other comprehensive income; and
- other changes in fair value of such financial liabilities are recognized in profit or loss of the current period.

(iii) Impairment of financial assets

The Group assesses on a forward-looking basis the ECL associated with its debt instrument assets carried at amortised cost and FVOCI and with exposure arising from loan commitments, financial guarantee contracts and lease receivables.

ECL is the weighted average of credit losses with the respective risks of a default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, i. e. all cash shortfalls, discounted at the original effective interest rate (or credit-adjusted effective interest rate for POCI financial assets).

The Group measures ECL of a financial instrument in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and

4 Summary of significant accounting policies (continued)

- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Detailed information about ECL is set out in note 55 (a).

The Group applies the impairment requirements for the recognition and measurement of a loss allowance for debt instruments that are measured at fair value through other comprehensive income. The loss allowance is recognised in other comprehensive income and the impairment loss is recognized in profit or loss, and it should not reduce the carrying amount of the financial asset in the consolidated statement of financial position.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the credit risk on the financial instruments has increased significantly since initial recognition is no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date and the amount of ECL reversal is recognized in profit or loss.

At the reporting date, the Group only recognized the cumulative changes in lifetime ECL since initial recognition as a loss allowance for POCI financial assets. At each reporting date, the Group recognized in profit or loss the amount of the changes in lifetime ECL as an impairment gain or loss.

(iv) Modification of loans

The Group sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Group assesses whether or not the new terms are substantially different to the original terms. The Group does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in the interest rate.
- Change in the currency the loan is denominated in.
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Group derecognizes the original financial asset and recognizes a ‘new’ asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Group also assesses whether the new financial asset recognized is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognized in profit or loss as a gain or loss on derecognition.

4 Summary of significant accounting policies (continued)

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognizes a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for POCI financial assets).

(v) Derivatives and hedges

Derivatives are initially recognized at fair value on the date on which the derivative contract is entered into and are subsequently remeasured at fair value. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

Certain derivatives are embedded in hybrid contracts, such as the conversion option in a convertible bond. If the hybrid contract contains a host that is a financial asset, then the Group assesses the entire contract as described in the financial assets section above for classification and measurement purposes. Otherwise, the embedded derivatives are treated as separate derivatives when:

- Their economic characteristics and risks are not closely related to those of the host contract;
- A separate instrument with the same terms would meet the definition of a derivative; and
- The hybrid contract is not measured at fair value through profit or loss.

These embedded derivatives are separately accounted for at fair value, with changes in fair value recognized in the statement of profit or loss unless the Group chooses to designate the hybrid contracts at fair value through profit or loss.

The method of recognizing the resulting fair value gain or loss depends on whether the derivative is designated and qualifies as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as hedges of the fair value of recognized assets or liabilities or firm commitments for fair value hedges.

The Group documents, at the inception of the hedge, the relationship between hedged items and hedging instruments, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values of hedged items.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of profit or loss, together with changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity and recorded as net interest income.

4 Summary of significant accounting policies (continued)

(vi) Derecognition of financial assets

Financial assets

The Group derecognizes a financial asset only when (1) the contractual rights to the cash flows from the asset expire, or (2) when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity, or (3) when it transfers the financial asset and gives up the control of the transferred assets though the Group neither transfers nor retains substantially all the risks and rewards of ownership.

Where a transfer of a financial asset in its entirety meets the criteria for de-recognition, the difference between the two amounts below is recognized in the consolidated statement of profit and loss:

- the carrying amount of the financial asset transferred;
- the sum of the consideration received from the transfer and the cumulative gain or loss that has been recognized directly in equity.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognize the asset to the extent of its continuing involvement and recognized an associated liability.

Financial liabilities

Financial liabilities are derecognized when the related obligation is discharged, is cancelled or expires. An agreement between the Group and an existing lender to exchange the original financial liability with a new financial liability with substantially different terms, or a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in the consolidated statement of profit and loss.

(vii) Securitization

As part of its operations, the Group securitizes financial assets, generally through the sale of these assets to structured entities which issue securities to investors. Upon sale of financial assets that qualify for de-recognition, the relevant financial assets are de-recognized in their entirety and a new financial asset or liability is recognized regarding the interest in the unconsolidated recognized vehicles that the Group acquired. Upon sale of financial assets that do not qualify for de-recognition, the relevant financial assets are not derecognized, and the consideration paid by third parties are recorded as a financial liability. Upon sale of financial assets that are partially qualified for de-recognition, where the Group has not retained control, it derecognized these financial assets and recognized separately as assets or liabilities any rights and obligations created or retained in the transfer. Otherwise the Group continues to recognize these financial assets to the extent of its continuing involvement in the financial assets.

4 Summary of significant accounting policies (continued)

(viii) Sales of assets on condition of repurchase

De-recognition of financial assets sold on condition of repurchase is determined by the economic substance of the transaction. If a financial asset is sold under an agreement to repurchase the same or substantially the same asset at a fixed price or at the sale price plus a reasonable return, the Group will not derecognize the asset. If a financial asset is sold together with an option to repurchase the financial asset at its fair value at the time of repurchase (in case of transferor sells such financial asset), the Group will derecognize the financial asset.

(ix) Presentation of financial assets and financial liabilities

Financial assets and financial liabilities are presented separately in the consolidated statement of financial position and are not offset. However, financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position only if the Group has a legally enforceable right to set off the recognized amounts and the transactions are intended to be settled on a net basis, or by recognizing the asset and settling the liability simultaneously.

(x) Financial assets held under resale and financial assets sold under repurchase agreements

Financial assets held under resale agreements are transactions which the Group acquires financial assets which will be resold at a predetermined price in the future date under resale agreements. Financial assets sold under repurchase agreements are transactions which the Group sells financial assets which will be repurchased at a predetermined price in the future date under repurchase agreements.

Cash advanced or received is recognized as amounts held under resale and repurchase agreements on the consolidated statement of financial position. Assets held under resale agreements are recorded in memorandum accounts as off-balance sheet items. Assets sold under repurchase agreements continue to be recognized in the consolidated statement of financial position.

The difference between the resale and repurchase consideration, and that between the purchase and sale consideration, should be expired over the period of the respective transaction using the effective interest method and are included in interest expense and interest income, respectively.

(xi) Equity instruments

The issuance of equity instruments is recognised at the actual issue price in shareholders' equity, relevant transaction costs are deducted from shareholders' equity (capital reserve), with any excess deducted from surplus reserve and retained earnings sequentially. Consideration and transaction costs paid by the Bank for repurchasing self-issued equity instruments are deducted from shareholders' equity.

4 Summary of significant accounting policies (continued)

(d) Precious metals

Precious metals comprise gold and other precious metals. Precious metals that are not related to the Group's precious metals trading activities are initially measured at acquisition cost and subsequently measured at the lower of cost and net realizable value. Precious metals acquired by the Group for trading purposes and precious metals leasing are initially measured at fair value and subsequent changes in fair value are recorded in the consolidated statement of profit or loss.

(e) Interests in subsidiaries

In the Bank's consolidated statement of financial position, interests in subsidiaries are accounted for using the cost less impairment losses (see Note 4 (m)). Cost includes direct attributable costs of investment. Dividends declared by subsidiaries are recognized in investment income.

Determination of investment cost

For long-term equity investments acquired through a business combination: involving enterprises under common control, the investment cost shall be the absorbing party's share of the carrying amount of owners' equity of the party being absorbed at the combination date; for long-term equity investment acquired through a business combination involving enterprises not under common control, the investment cost shall be the combination cost.

For long-term equity investments acquired not through a business combination: for long-term equity investment acquired by payment in cash, the initial investment cost shall be the purchase price actually paid; for long-term equity investments acquired by issuing equity securities, the initial investment cost shall be the fair value of the equity securities issued.

(f) Interests in associates and joint ventures

An associate is an entity over which the Group has significant influence. A joint venture is an arrangement whereby the Group and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

When acquiring associates and joint ventures, the Group recognizes as initial investment cost in the principle which: for the investments obtained by making payment in cash, the Group recognizes the purchase cost which is actually paid as initial investment costs; for the investments obtained by equity securities, the Group recognizes the fair value of the equity securities issued as initial investment cost.

An investment in an associate or a joint venture is accounted for using the equity method, unless the investment is classified as held for sale.

4 Summary of significant accounting policies (continued)

The Group adopts the following accounting treatments when using the equity method:

- Where the initial investment cost of an associate or joint venture exceeds the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognized at the initial investment cost. Where the initial investment cost is less than the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognized at the investor's share of the fair value of the investee's identifiable net assets, and the difference is charged to profit or loss.

- After the acquisition of the investment, the Group recognizes its share of the investee's profit or loss and other comprehensive income as investment income or losses and other comprehensive income respectively, and adjusts the carrying amount of the investment accordingly. Once the investee declares any cash dividends or profit distributions, the carrying amount of the investment is reduced by that amount attributable to the Group. Changes in the Group's share of the investee's owners' equity, other than those arising from the investee's profit or loss, other comprehensive income or profit distribution, is recognized in the Group's equity, and the carrying amount of the investment is adjusted accordingly.

- The Group recognizes its share of investee's profits or losses, other comprehensive income and other changes in equity holders' equity after making appropriate adjustments to align the accounting policies or accounting periods with those of the Group based on the fair value of the investee's identifiable net assets at the date of acquisition. Unrealised profits and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interests in the associates or joint ventures. When an entity in the Group transacts with the Group's associate, profits and losses resulting from the transaction are recognized in the Group's consolidated financial statements only to the extent of the interest in the associate that are not related to the Group. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

- The Group discontinues recognition of its share of net losses of investees after the carrying amount of investment in the associates and joint ventures and any long-term interest that in substance forms part of the Group's net interest in the associates and joint ventures are reduced to zero, except to the extent that the Group has an obligation to assume additional losses. Additional loss is recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate. Where profits are subsequently made by the associates and joint ventures, the Group resumes the recognition of its share of those profits only after its share of the profits equals the share of losses not recognized.

Significant influence is the power to participate in the financial and operating policy decisions of an investee but does not have control or joint control over those policies.

The Group makes provisions for impairment of interests in associates and joint ventures in accordance with the principles described in Note 4 (m).

4 Summary of significant accounting policies (continued)

(g) Property, plant and equipment

Property, plant and equipment is asset held by the Group for the conduct of business and is expected to be used for more than one year. Construction-in-progress, an item of property, represents property under construction and is transferred to property when ready for its intended use.

(i) Cost

Property, plant and equipment is stated at cost upon initial recognition. Costs of a purchased property, plant and equipment comprise purchase price, related taxes, and any directly attributable expenditures for bringing the asset to working condition for its intended use. Costs of the self-constructed property, plant and equipment comprise construction materials, direct labor costs and those expenditures necessarily incurred for bringing the asset to working condition for its intended use.

Subsequent to initial recognition, property, plant and equipment is stated at cost less accumulated depreciation and impairment losses.

Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for as separate items of property, plant and equipment.

(ii) Subsequent costs

Any subsequent costs including the cost of replacing part of an item of fixed assets are recognised as assets when the recognition conditions of fixed assets are met, and the carrying amount of the replaced part is derecognised. The costs of the day-to-day maintenance of fixed assets are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated to write off the cost, less residual value if applicable, of property, plant and equipment and is charged to profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

The estimated useful lives are as follows:

	Estimated usefullives	*Estimatedresidual value*	*Depreciation rate*
Buildings	30 - 35 years	0% ~ 5%	2.71% - 3.17%
Aircraft and vessels, etc	20 - 30 years	5%	3.00% - 4.75%
Computer equipment and others	3 - 10 years	0% ~ 5%	9.50% - 31.67%

No depreciation is provided in respect of construction in progress.

The residual value and useful lives of assets are reviewed, and adjusted if appropriate, as of each reporting date.

4 Summary of significant accounting policies (continued)

(iv) Impairment

Impairment losses on property, plant and equipment are accounted for in accordance with the accounting policies as set out in Note 4 (m).

(v) Disposal and retirement

Gains or losses arising from the disposal or retirement of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of profit or loss on the date of disposal or retirement.

(h) Lease

A lease is a contract under which the lessor conveys to the lessee the right to use an asset for a period of time in exchange for consideration.

The Group as the lessee

The Group recognises the right-of-use assets on the commencement date of the lease term and recognises the lease liability at the present value of the lease payments that have not been paid yet. Each lease payment is allocated between the liability and interest expense. The interest expense is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The lease payments include fixed payments and payments to be made in the event that it is reasonably determined that the purchase option will be exercised or the lease option is terminated. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used.

The Group's right-of-use assets include leased buildings, land use right, equipment, vehicles and others. The right-of-use assets are initially measured at cost, which includes the initial measurement of the lease liability, the lease payments paid on or before the lease commencement date, and the initial direct costs, less any lease incentives received. If the Group can reasonably expect to obtain the ownership of the leased asset at the expiration of the lease term, it is depreciated over the remaining useful life of the leased asset on a straight-line basis; if it is not possible to reasonably determine whether the ownership of the leased asset can be obtained at the expiration of the lease term, it is depreciated over the shorter period of the lease term and the remaining useful life of the leased assets on a straight-line basis. When the recoverable amount is lower than the carrying amount of an right-of-use asset, the Group writes down the carrying amount to the recoverable amount.

For short-term leases with a lease term of no more than 12 months and leases of assets with low values when new, the Group chooses not to recognise the right-of-use assets and lease liabilities. Instead, it recognises in each period the relevant rental payments in profit or loss or relevant asset costs on a straight-line basis over the lease term.

Land use rights are amortised on a straight-line basis over the respective periods of grant. When the costs attributable to the land use rights cannot be reliably measured and separated from that of the building at inception, the costs are included in the cost of buildings and recorded in property, plant and equipment.

4 Summary of significant accounting policies (continued)

Impairment loss on land use rights is accounted for in accordance with the accounting policies as set out in Note 4(m).

The Group as the lessor

A lease is classified as either a finance lease or an operating lease. A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of a leased asset to the lessee, irrespective of whether the legal title to the asset is eventually transferred. An operating lease is a lease other than a finance lease.

(i) Finance leases

Where the Group is a lessor under finance leases, an amount representing the sum of the minimum lease receipts and unguaranteed residual value, net of initial direct costs, all discounted at the implicit lease rate (the “net lease investment”), is included in “loans and advances to customers” on consolidated statement of financial position as a finance lease receivable. At the commencement of the lease term, the Group recognises the aggregate of the minimum lease receipts determined at the inception of a lease and the initial direct costs as finance lease receivable. The difference between the net lease investment and the aggregate of their present value is recognised as unearned finance income which is included in “loans and advances to customers” as well. Unrecognised finance income under finance leases is amortised using the effective interest rate method over the lease term. The financing income included in finance lease receivable will be recognized as "interest income" according to the proportion of invested capital during the lease term.

Impairment losses are accounted in accordance with the accounting policies as set out in Note 4 (c)(iii).

(ii) Operating leases

Where the Group leases out assets under operating leases, the assets are included in the consolidated statement of financial position according to their nature and, where applicable, are depreciated in accordance with the Group’s depreciation policies, as set out in Note 4 (g) except where the asset is classified as an investment property. Impairment losses are accounted in accordance with the accounting policies as set out in Note 4 (m). Revenue arising from operating leases is recognised in accordance with the Group’s revenue recognition policies, as set out in Note 4 (t)(iv).

(i) Intangible assets

Intangible assets are initially recognized at cost. The cost less estimated net residual values (if any) of the intangible assets is amortised on a straight-line basis over their useful lives, and charged to profit or loss. Impaired intangible assets are amortised net of accumulated impairment losses.

Estimated Useful Lives of Intangible Assets are as follows	*Estimated Useful Lives*
Computer Software	5 years
Data Resources	3 years
Others	5 - 35 years

4 Summary of significant accounting policies (continued)

Impairment loss on intangible assets is accounted for in accordance with the accounting policies as set out in Note 4 (m). Impaired intangible assets are amortised net of accumulated impairment losses.

Intangible assets which are not yet available for use should be estimated at least at each financial yearend, even if there was no indication that the assets were impaired.

(j) Investment properties

Investment properties are land and/or buildings which are owned and/or held under a leasehold interest to earn rental income and/or for capital appreciation.

The Group's investment properties are accounted for using the fair value model for subsequent measurement when either of the following conditions is met:

- There is an active property market in the location in which the investment property is situated;
- The Group can obtain the market price and other relevant information regarding the same type of or similar properties from the property market, so as to reasonably estimate the fair value of the investment property.

Investment properties are stated at fair value in the consolidated statement of financial position. The Group does not accrue depreciation or amortization of investment properties. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognized in the consolidated statement of profit or loss.

When there is a change in use of properties from owner-occupation to earn rentals or for capital appreciation, the investment property transferring from property, plant and equipment or intangible assets is measured at fair value on the date of transfer. On the transferred date of property, plant and equipment or intangible assets, if the fair value of investment property is lower than the carrying amount of property, the difference is recognized in profit or loss, otherwise in the other comprehensive income.

When an investment property is sold, transferred, retired or damaged, the Group recognized the amount of any proceeds on disposal, net of the carrying amount and related expenses, in the consolidated statement of profit and loss.

(k) Goodwill

Goodwill represents the excess of the cost of a business combination over the Group's interest in the fair value of the acquiree's identifiable net assets. Goodwill is not amortised. Goodwill arising from a business combination is allocated to each cash-generating unit ("CGU") or a group of CGUs, that is expected to benefit from the synergies of the combination. The Group performs impairment test on goodwill annually.

Any excess of the Group's interest in the net fair value of the acquiree's identifiable net assets over the cost of a business combination is recognized immediately in the consolidated statement of profit or loss.

4 Summary of significant accounting policies (continued)

On disposal of the related CGU or a group of CGUs, any attributable amount of the purchased goodwill net of allowance for impairment losses, if any, is included in the calculation of the profit or loss on disposal.

Impairment loss on goodwill is accounted in accordance with the accounting policies as set out in Note 4 (m).

(l) Repossessed assets

In the recovery of impaired loans and advances, the Group may take possession of assets held as collateral through court proceedings or voluntary delivery of possession by the borrowers. Where it is intended to achieve an orderly realization of the impaired assets and the Group is no longer seeking repayment from the borrower, repossessed assets are reported as "other assets" in the consolidated statement of financial position.

When the Group seizes assets to compensate for the losses of loans and advances and interest receivables, the repossessed assets are initially recognized at fair value and any taxes that are directly attributable to the assets, and other expenses incurred for collecting the repossessed assets.

When the fair value less costs to sell is lower than a repossessed asset's carrying amount, an impairment loss is recognized in the consolidated statement of profit or loss. Repossessed assets are recognized at the carrying value, net of allowance for impairment losses. The impairment loss is recorded in the consolidated statement of profit and loss.

The repossessed assets are disposed after acquisition and cannot be used without authorisation. The repossessed assets that are transferred to own use are treated as newly purchased property, plant and equipment. Any gain or loss arising from the disposal of the repossessed assets is included in the consolidated statement of profit or loss in the period in which the item is disposed.

(m) Allowance for impairment of non-financial assets

(i) Impairment of non-financial assets other than goodwill

At the end of each reporting period, the Group assesses whether there is any indication that a nonfinancial asset other than goodwill such as investments in associates and joint ventures, property, plant and equipment, intangible assets, investment properties and other assets may be impaired. If any indication exists that an asset may be impaired, the Group estimates the recoverable amount of the asset.

The recoverable amount of an asset is the higher of its fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. The Group considers all relevant factors in estimating the present value of future cash flows, such as the expected future cash flows, the useful life and the discount rate.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is recognized as an impairment loss in the consolidated statement of profit or loss.

4 Summary of significant accounting policies (continued)

(ii) Impairment of goodwill

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the CGU or the group of CGUs that is expected to benefit from the synergies of the combination.

A CGU is the smallest identifiable group of assets that generates cash inflows that is largely independent of the cash flows from other assets or groups of assets.

The CGU or the group of CGUs to which goodwill has been allocated is tested for impairment by the Group annually, or whenever there is an indication that the CGU or the group of CGUs are impaired, by comparing the carrying amount of the CGU or the group of CGUs, including the goodwill, with the recoverable amount of the CGU or the group of CGUs. The recoverable amount of the CGU or the group of CGUs are the estimated future cash flows, which are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU or the group of CGUs with allocated goodwill.

At the time of impairment testing of a CGU or a group of the CGUs to which goodwill has been allocated, there may be an indication of an impairment of an asset within the CGU containing the goodwill. In such circumstances, the Group tests the asset for impairment first, and recognized any impairment loss for that asset before testing for impairment on the CGU or group of the CGUs containing the goodwill. Similarly, there may be an indication of an impairment of a CGU within a group of the CGUs containing the goodwill. In such circumstances, the Group tests the CGU for impairment first, and recognized any impairment loss for that CGU, before testing for impairment the group of CGUs to which the goodwill is allocated.

For a CGU or a group of CGUs, the amount of impairment loss firstly reduces the carrying amount of any goodwill allocated to the CGU or the group of CGUs, and then reduces the carrying amount of other assets (other than goodwill) within the CGU or the group of CGUs, pro rata on the basis of the carrying amount of each asset. The carrying amount of an asset should not be reduced below the highest of its fair value less costs of disposal (if measurable); its value in use (if determinable) and zero.

An impairment loss in respect of goodwill is not reversed.

(n) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i. e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique (Note 57).

4 Summary of significant accounting policies (continued)

(o) Employee benefits

(i) Employee salaries

During the accounting period when an employee has rendered service to the Group, the Group will recognize the actual amount of employee wages, bonuses, labor union expenses and employee education expenses, medical insurance, work-related injury insurance, maternity insurance and housing provident funds paid for employees according to the regulated benchmark and ratio, are recognised as a liability as the employee provides services, with a corresponding charge to profit or loss or included in the cost of assets where appropriate.

(ii) Post-employment benefits-Defined contribution plans

Pursuant to the relevant laws and regulations in the PRC, the Group participates in a defined contribution basic pension insurance in the social insurance system established and managed by government organisations. The Group makes contributions to basic pension insurance plans based on the applicable benchmarks and rates stipulated by the government. Basic pension contributions payable is recognised as a liability as the employee provides services, with a corresponding charge to profit or loss or included in the cost of assets where appropriate.

In addition to the statutory provision plan, the Bank's qualified employees in Mainland China. have joined its annuity scheme (the"scheme") which was established by the CITIC Group Corporation ("CITIC Group") in accordance with policies regarding the state-owned enterprise annuity policy. The Bank has made annuity contributions in proportion to its employees' gross salaries which are expensed in the consolidated statement of profit or loss when the contributions are made.

The Group operates a defined contribution provident fund scheme for overseas staff. Contributions are charged to profit or loss as and when the contribution fall due.

(iii) Post-employment benefits: Defined benefit plans

The defined benefit plans of the Group are supplementary retirement benefits provided to the domestic employees.

The Group adopts the projected unit credit actuarial cost method, using unbiased and mutually compatible actuarial assumptions to estimate the demographic and financial variables, to measure the obligation associated in the defined benefits plan. The discounted present value of the defined benefit obligation is recognized as the liabilities of the defined benefit plans.

The Group recognizes the obligation of defined benefit plans in the accounting period in which the employees render the related services. Past-service costs are recognized immediately in the consolidated statement of profit or loss. Re-measurement arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

4 Summary of significant accounting policies (continued)

(p) Government grants

Government grants are transfers of monetary assets or non-monetary assets from the government to the Group at no consideration except for any capital contribution from the government as an investor in the Group. Special funds such as investment grants allocated by the government, if clearly defined in official documents as part of "capital reserve" are dealt with as capital contributions, and not regarded as government grants.

Government grants are recognized when there is reasonable assurance that the grants will be received and that the Group will comply with the conditions attaching to the grants. Government grants are measured at the amount received or will be received when recognized as monetary assets. Government grants are measured at fair value when recognized as non-monetary assets.

The grants related to assets are government grants whose primary condition is that an entity qualifying for them should purchase, construct or otherwise acquire long-term assets. The grants related to income are government grants other than those related to assets. A government grant related to an asset is recognized initially as deferred income and amortised to profit or loss on a straight-line basis over the useful life of the asset. A grant that compensates the Group for expenses or losses to be incurred in the subsequent periods is recognized initially as deferred income, and recognized in the consolidated statement of profit or loss or offset against related expenses in the same periods in which the expenses are recognized. A grant that compensates the Group for expenses incurred is recognized in the consolidated statement of profit or loss immediately. The Group uses the same statement method for similar government grants.

For the policy loans with favourable interest rates, the Group records the loans at the actual amounts and calculates the interests by loan principals and the favourable interest rates. The interest subsidies directly received from government are recorded as a reduction of interest expenses.

(q) Financial guarantee contracts and loan commitments

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, in accordance with the terms of a debt instrument.

Financial guarantees are initially recognized at fair value on the date the guarantee was given. Subsequent to initial recognition, the Group's liabilities under such guarantees are measured at the higher of the initial amount, less amortisation of guarantee fees, and the best estimate of the expected credit loss provision required to settle the guarantee. Any increase in the liability relating to guarantees is taken to the consolidated statement of profit and loss.

The impairment allowance of loan commitments provided by the Group is measured by ECL. The Group has not provided any commitment to provide loans at a below-market interest rate, or that can be settled net in cash or by delivering or issuing another financial instrument.

For loan commitments and financial guarantee contracts, the loss allowance is recognized as a provision. However, for contracts that include both a loan and an undrawn commitment and the Group cannot separately identify the ECL on the undrawn commitment component from those on the loan component, the ECL on the undrawn commitment are recognized together with the loss allowance for the loan. To the extent that the combined ECL exceed the gross carrying amount of the loan, the ECL are recognized as a provision.

4 Summary of significant accounting policies (continued)

(r) Provisions and contingent liabilities

A provision is recognized in the consolidated statement of financial position when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Factors pertaining to a contingency such as the risks, uncertainties and time value of money are taken into account as a whole in reaching the best estimate. Where the effect of the time value of money is material, the best estimate is determined by discounting the related future cash outflows. The Group recognizes the loss allowance of financial guarantee contracts measured by ECL as a provision.

A contingent liability is (i) a possible obligation that arises from past events and whose existence can only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or (ii) a present obligation that arises from past events and it is not probable that an outflow of economic benefits is required to settle the obligation; or the amount of the obligation cannot be measured reliably. Such liability is disclosed as contingent liabilities under Note 51.

(s) Fiduciary activities

The Group acts in a fiduciary capacity as a custodian, trustee, or an agent for customers. Assets held by the Group and the related undertakings to return such assets to customers are excluded from the consolidated financial statements as the risks and rewards of the assets reside with the customers.

Entrusted lending is the business where the Group enters into entrusted loan agreements with customers, whereby the customers provide funding (the “entrusted funds”) to the Group, and the Group grants loans to third parties (the “entrusted loans”) at the instruction of the customers. As the Group does not assume the risks and rewards of the entrusted loans and the corresponding entrusted funds, entrusted loans and funds are recorded as off-balance sheet items at their principal amounts and no impairment assessments are made for these entrusted loans.

(t) Income recognition

Revenue is the gross inflow of economic benefit arising in the course of the Group’s ordinary activities when those inflows result in increases in equity, other than increases relating to contributions from owners. Revenue is recognized when the controls of related products or services is obtained and satisfy the other conditions for different type of revenues as below.

(i) Interest income

Interest income of financial assets is calculated using the effective interest method and included in the profit and loss.

The accounting policies about interest income of financial assets measured at amortised cost refer to note 4 (c)(ii).

4 Summary of significant accounting policies (continued)

(ii) Fee and commission income

Fee and commission income is recognized when the Group fulfills its performance obligation, either over time or at a point in time when a customer obtains control of the service. Origination or commitment fees received by the Group which result in the creation or acquisition of a financial asset are deferred and recognized as an adjustment to the effective interest rate. If the commitment expires without the Group making a loan or anticipating will not, the fee is recognized as revenue on expiry.

(iii) Dividend income

Dividend income is recognized in the consolidated statement of profit or loss on the date when the Group's right to receive payment is established.

(iv) Rental income from operating lease

Rental income received under operating leases is recognized as other operating income in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives granted are recognized in the consolidated statement of profit or loss as an integral part of the aggregate net lease payments receivable.

(v) Finance income from finance lease and hire purchase contract

Finance income implicit in finance lease and hire purchase payments is recognized as interest income over the period of the leases so as to produce an approximately constant periodic rate of return on the outstanding net investment in the leases for each accounting period.

(u) Income tax

Current tax and deferred tax are recognized in the consolidated statement of profit or loss except to the extent that they relate to a business combination or items recognized directly in equity (including other comprehensive income).

Current income tax is the expected tax payables on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payables in respect of previous periods. Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences also arise from unused tax losses and unused tax credits. Deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be recognized.

4 Summary of significant accounting policies (continued)

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets are recognized on deductible temporary differences arising from investments in subsidiaries, associates and joint ventures arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be recognized.

At the end of the reporting date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is recognized or the liability is settled according to the requirements of tax laws. The Group also considers the probability of realization and the settlement of deferred tax assets and deferred tax liabilities in the calculation.

The carrying amount of a deferred tax asset is reviewed at the end of the reporting date, and is reduced to the extent that it is no longer probable that the related tax benefits will be utilised. Such reductions are reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if the Group has the legally enforceable right to set off current tax assets against current tax liabilities and meet the additional conditions that deferred tax assets and liabilities relate to income taxes levied by the same authority on the same taxable entity. Otherwise, deferred tax assets and liabilities and their changes shall be presented separately and not offset each other.

(v) Cash equivalents

Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, with original maturity of three months or less at acquisition.

(w) Profit distribution

Proposed dividends for ordinary shares which are declared and approved after the end of each reporting period are not recognized as a liability in the consolidated statement of financial position and are instead disclosed as a subsequent event after the end of each reporting period in the notes to the consolidated financial statements. Dividends payable are recognized as liabilities in the period in which they are approved.

As authorized by the shareholders' annual general meeting, the Board of Directors has the sole discretion to declare and distribute dividends on preference shares. Preference shares dividend distribution is recognized as a liability in the consolidated financial statements in the period in which the dividends are approved.

4 Summary of significant accounting policies (continued)

(x) Related parties

If the Group has the power, directly or indirectly, to control, jointly control or exercise significant influence over another party, or vice versa, or where the Group and one or more parties are subject to common control, jointly control from another party, they are considered to be related parties. Related parties may be individuals or enterprises.

(y) Operating segments

An operating segment is a component of the Group that satisfies all of the following conditions: (1) the component is able to earn revenues and incur expenses from its ordinary activities; (2) whose operating results are regularly reviewed by the Group's management to make decisions about resources to be allocated to the segment and to assess its performance, and (3) for which the information on financial position, operating results and cash flows is available to the Group. If two or more operating segments have similar economic characteristics and satisfy certain conditions, they are aggregated into one single operating segment.

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision-maker for the purposes of allocating resources and assessing performance. The Group considers the business from different perspectives including products and services and geographic areas. The operating segments that meet the specified criteria have been aggregated, and the operating segments that meet quantitative thresholds have been reported separately.

Inter-segment revenues are measured on the basis of actual transaction price for such transactions for segment reporting, and segment accounting policies are consistent with those for the consolidated financial statements.

5 Critical accounting estimates and judgements

Preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and associated key assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(i) Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets of debt instruments and off balance sheet credit assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit recognition (e. g. the likelihood of ustomers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 55 (a).

5 Critical accounting estimates and judgements (continued)

A number of significant judgements are also required in applying the accounting equirements for measuring ECL, such as:

- Segmentation of portfolio sharing similar credit risk characteristics for the purposes of measuring ECL;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Criteria for determining whether or not there was a significant increase in credit risk, or a default or impairment loss was incurred;
- Economic indicators for forward-looking measurement, and the application of economic scenarios and weightings;
- Management overlay for asset portfolios whose non-linear risk characteristics cannot be adequately reflected through impairment models; and
- Discounted cash flows model is applicable to assets related to corporate client in stage 3.

Detailed information about the judgements and estimates made by the Group in the above areas is set out in note 55 (a).

(ii) Classification of financial assets

The critical judgments the Group has in determining the classification of financial assets include analysis of business models and characteristics of contractual cash flows.

The Group determines the business model for managing financial assets at the level of financial asset portfolio. The factors considered include evaluation and reporting of financial asset performance to key management personnel, risks affecting the performance of financial assets and their management methods, and related business management personnel. The way to get paid, etc.

When assessing whether the contractual cash flow of financial assets is consistent with the basic lending arrangement, the Group has the following main judgments: whether the principal may be subject to change in the duration or amount of money due to prepayments during the duration; whether interests is only included currency time value, credit risk, other basic borrowing risks, and considerations for costs and profits; whether the amount paid in advance reflect only the outstanding principal and interest on the outstanding principal, as well as reasonable compensation for early termination of the contract.

(iii) Fair value of financial instruments

For financial instruments without active market, the Group determines fair values using valuation techniques which include discounted cash flow models, as well as other types of valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and foreign currency exchange rates. Where discounted cash flow techniques are used, estimated cash flows are based on management's best estimates and the discount rate used is a market rate at the end of each reporting period applicable for an instrument with similar terms and conditions. Where other pricing models are used, inputs are based on observable market data at the end of each reporting period. However, where market data are not available, management needs to make estimates on such unobservable market inputs based on assumptions. Changes in assumptions about these factors could affect the estimated fair value of financial instruments.

5 Critical accounting estimates and judgements (continued)

(iv) De-recognition of financial assets

In its normal course of business, the Group transfers financial assets through various types of transactions including regular way sales and transfers, securitization, financial assets sold under repurchase agreements and etc., the Group applies significant judgement in assessing whether it has transferred these financial assets which qualify for a full or partial de-recognition.

Where the Group enters into structured transactions by which it transferred financial asset to structured entities, the Group analyses whether the substance of the relationship between the Group and these structured entities indicates that it controls these structured entities to determine whether the Group needs to consolidate these structured entities. This will determine whether the following de-recognition analysis should be conducted at the consolidated level or at the entity level from which the financial assets was transferred.

The Group analyses the contractual rights and obligations in connection with such transfers to determine whether the de-recognition criteria are met based on the following considerations:

- whether it has transferred the rights to receive contractual cash flows from the financial assets or the transfer qualified for the “pass through” of those cash flows to independent third parties;
- the extent to which the associated risks and rewards of ownership of the financial assets are transferred by using appropriate models. Significant judgment is applied in the Group’s assessment with regard to the parameters and assumptions applied in the models, estimated cash flows before and after the transfers, the discount rates used based on current market interest rates, variability factors considered and the allocation of weightings in different scenarios;
- where the Group neither retains nor transfers substantially all of the risks and rewards associated with their ownership, the Group analyses whether the Group has relinquished its controls over these financial assets, and if the Group has continuing involvement in these transferred financial assets.

5 Critical accounting estimates and judgements (continued)

(v) Consolidation of structured entities

The Group makes significant judgment to assess whether the Group controls and should consolidate structured entities. When performing this assessment, the Group has comprehensively considered various factors:

- assesses its contractual rights and obligations in light of the transaction structures, and evaluates the Group's power over the structured entities;
- performs independent analyses and tests on the variable returns from the structured entities, including but not limited to commission income and asset management fees earned, retention of residual income, and, if any, liquidity and other support provided to the structured entities; and;
- assesses its ability to exercise its power to influence the variable returns assessed whether the Group acts as a principal or an agent through analysis of the scope of the Group's decision-making authority, remuneration entitled, other interests the Group holds, and the rights held by other parties.

(vi) Income taxes

Determining income tax provisions involves judgement on the future tax treatment of certain transactions. There are certain transactions and activities for which the ultimate tax determination is uncertain during the ordinary course of business. The Group carefully evaluates the tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislations. Deferred tax assets are recognized for temporary deductible differences. As those deferred tax assets can only be recognized to the extent that it is probable that future taxable profits will be available against which the unused tax credits can be recognized, management's judgement is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and additional deferred tax assets are recognized if it becomes probable that future taxable profits will allow the deferred tax assets to be recovered.

6 Net interest income

	Years ended 31 December	
	2025	*2024*
Interest income arising from (Note (i)):		
Deposits with central banks	5,456	5,842
Deposits with banks and non-bank financial institutions	1,524	1,965
Placements with and loans to banks and non-bank financial institutions	11,089	10,296
Financial assets held under resale agreements	1,105	1,275
Loans and advances to customers		
- corporate loans	111,768	118,076
- personal loans	96,954	112,330
- discountedbills	2,882	5,516
Financial investments		
- at amortised cost	31,070	30,873
- at fair value through other comprehensive income	22,678	23,549
Others	62	69
Subtotal	284,588	309,791
Interest expense arising from:		
Borrowings from central banks	(2,641)	(6,367)
Deposits from banks and non-bank financial institutions	(11,992)	(17,832)
Placements from banks and non-bank financial institutions	(3,105)	(2,679)
Financial assets sold under repurchase agreements	(6,294)	(4,148)
Deposits from customers	(89,506)	(103,975)
Debt securities issued	(26,121)	(27,608)
Lease liabilities	(422)	(452)
Others	(38)	(51)
Subtotal	(140,119)	(163,112)
Net interest income	144,469	146,679

Note:

(i) Interest income includes interest income accrued on credit-impaired financial assets of RMB425 million for the year ended 31 December 2025 (2024: RMB760 million).

7 Net fee and commission income

	Years ended 31 December	
	2025	*2024*
Fee and commission income:		
Bank card fees	13,961	15,557
Agency fees and commission (Note (i))	6,215	4,981
Wealth management business fees	6,135	4,226
Guarantee and advisory fees	5,231	4,997
Commission for custodian business and other fiduciary	3,870	3,575
Settlement and clearance fees	2,834	2,476
Others	187	159
Total	38,433	35,971
Fee and commission expense	(5,661)	(4,931)
Net fee and commission income	32,772	31,040

Note:

(i) Agency fees and commission represent fees earned from selling bonds, investment funds and insurance products, and provision of entrusted lending activities.

8 Net trading gain

	Years ended 31 December	
	2025	*2024*
Debt securities and certificates of interbank deposit	2,735	4,217
Foreign currencies	7,349	210
Derivatives and related exposures	(7,130)	2,342
Others	2,649	62
Total	5,603	6,831

9 Net gain from investment securities

	Years ended 31 December	
	2025	*2024*
Financial investments		
- at fair value through profit or loss	11,283	14,980
- at amortised cost	4,452	2,518
- at fair value through other comprehensive income	7,503	6,951
- Investments in equity instruments designated at fair value through other comprehensive income	71	22
Net gain from bills rediscounting	911	1,342
Proceeds from the resale of forfaiting	635	805
Others	431	493
Total	25,286	27,111

10 Other operating income

As at 31 December 2025, the group's other operating income mainly includes operating lease income of RMB 2,931 million.

11 Operating expenses

	Years ended 31 December	
	2025	*2024*
Staff costs		
- salaries and bonuses	28,443	28,000
- social insurance	2,202	2,208
- welfare expenses	1,584	1,571
- housing fund	2,302	2,179
- labor union expenses and employee education expenses	517	915
- post-employment benefits – defined contribution plans	4,769	4,490
- other benefits	419	321
Subtotal	40,236	39,684
Property and equipment related expenses		
- depreciation of right-of-use assets	2,985	3,239
- depreciation of property, plant and equipment	3,132	3,189
- rent and property management expenses	1,257	1,342
- maintenance	1,780	2,045
- amortisation expenses	1,535	1,883
- electronic equipment operating expenses	569	553
- others	472	500
Subtotal	11,730	12,751
Tax and surcharges	2,161	2,194
Other general operating and administrative expenses (Note (i))	16,753	17,309
Total	70,880	71,938

11 Operating expenses (continued)

Note:

(i) Included in other general operating and administrative expenses were audit fees of RMB16 million for the year ended 31 December 2025 (2024: RMB16 million) and non-audit fees of RMB10 million for the year ended 31 December 2025 (2024: RMB8 million).

(a) Individuals with highest emoluments

For the year ended 31 December 2025, of the 5 individuals with the highest emoluments in the Group, there was no director (2024: Nil) and no supervisor (2024: Nil). The aggregate of the emoluments before individual income tax in respect of the five highest paid individuals of the Group were as follows:

	Years ended 31 December	
	2025	*2024*
	RMB'000	RMB'000
Basic salaries, housing allowances, other allowances and benefits in kind	18,662	20,834
Discretionary bonuses	-	-
Contribution to pension scheme	1,075	1,357
Total	19,737	22,191

The emoluments before individual income tax of the five individuals of the Group with the highest emoluments are within the following bands:

	Years ended 31 December	
	2025	*2024*
RMB0 – RMB5,000,000	5	4
RMB5,000,001 – RMB10,000,000	-	1

No inducement fee and compensation for loss of office was paid to the five highest paid individuals for the year ended 31 December 2025 (2024: Nil).

12 Credit impairment losses

	Years ended 31 December	
	2025	*2024*
Credit impairment losses		
Impairment losses of deposits with banks and non-bank financial institutions	5	-
Impairment losses of placements with and loans to banks and non-bank financial institutions	16	42
Impairment losses / (reversals) of financial assets held under resale agreements	56	(12)
Impairment losses of loans and advances to customers	51,030	52,699
Impairment losses of financial investments		
- at amortised cost	601	3,104
- at fair value through other comprehensive income	307	735
Impairment losses of other financial assets and accrued interest	5,735	5,564
Impairment losses / (reversals) of off-balance sheet items	189	(1,087)
Total	57,939	61,045

13 Income tax

(a) Recognized in the consolidated statement of profit and loss and other comprehensive income

	Note	Years ended 31 December 2025	2024
Current tax			
- Mainland China		8,581	16,017
- Hong Kong		512	369
- Overseas		87	74
Deferred tax	30(c)	3,373	(5,065)
Income tax		12,553	11,395

Mainland China income tax have been provided at the rate of 25%. HongKong and Overseas tax has been provided at the rates of tax at ionprevailing in the regions in which the Group operates respectively.

(b) Reconciliation between income tax expense and accounting profit

	Note	Years ended 31 December 2025	2024
Profit before tax		84,043	80,863
Income tax calculatedat PRC statutory tax rate		21,011	20,216
Effect of different tax rates in other regions		(244)	(298)
Tax effect of non-deductible expenses		1,797	5,185
Tax effect of non-taxable income	(i)	(10,011)	(13,708)
Income tax		12,553	11,395

Note:

(i) Non-taxable income primarily represent tax effect from interest income arising from PRC government bonds and local government bonds and dividend income from investment funds.

14 Other comprehensive income, net of tax

	Years ended 31 December	
	2025	2024
Items that will not be reclassified subsequently to profit or loss		
Changes in defined benefit plan liabilities		
- net changes during the year before tax	-	(1)
Fair value changes on financial asset designated at fair value through other comprehensive income, net of tax		
- net changes during the year before tax	(279)	(140)
- income tax	(6)	58
Subtotal	(285)	(83)
Items that may be reclassified subsequently to profit or loss		
Other comprehensive income transferable to profit or loss under equity method		
- net changes during the year	(31)	15
Fair value changes on financial assets at fair value through other comprehensive income, net of tax (Note (i))		
- net changes during the year before tax	(7,161)	21,151
- net amount transferred to profit or loss	(7,857)	(7,066)
- Income tax	3,827	(3,348)
Credit impairment allowance on financial assets at fair value through other comprehensive income (Note (ii))		
- net changes during the year	240	466
- Income tax	(24)	(82)
Others		
- net changes during the year before tax	52	94
Exchange differences on translation of financial statements	(2,740)	1,767
Subtotal	(13,694)	12,997
Other comprehensive income, net of tax	(13,979)	12,914

14 Other comprehensive income, net of tax (continued)

Notes:

(i) Fair value changes on financial assets at fair value through other comprehensive income include those of financial investments and loans and advances to customers at fair value through other comprehensive income.

(ii) Credit impairment allowance include financial investments and loans and advances to customers at fair value through other comprehensive income.

15 Earnings per share

Earnings per share information for the years ended 31 December 2025 and 2024 is computed by dividing the profit for the year attributable to ordinary shareholders of the Bank by the weighted average number of shares in issue during the year.

The Bank issued non-cumulative preference shares in 2016 under the terms and conditions as detailed in Note 43(i). The Bank declared and paid cash dividends of RMB1,428 million of non-cumulative preference shares for the year of 2025 (2024: 1,428 million).

The Bank issued RMB40 billion write-down undated capital bonds (the “Bonds”) in 2021, with terms and conditions disclosed in detail in Note 43(ii) under perpetual Bonds. The Bank declared and paid RMB1,680 million in interests on the perpetual bonds in 2025.

The Bank issued RMB30 billion write-down undated capital bonds (the “Bonds”) in 2024, with terms and conditions disclosed in detail in Note 43(ii) under perpetual Bonds. The Bank declared and paid RMB726 million in interests on the perpetual bonds in 2025.

The conversion feature of preference shares is considered to fall within contingently issuable ordinary shares. The triggering events of conversion did not occur as at 31 December 2025, therefore the conversion feature of preference shares has no effect on the basic and diluted earnings per share calculation.

The diluted earnings per share are calculated on the effect of convertible bonds being dilutive potential ordinary share, by dividing the net profit for the year attributable to ordinary shareholders of the Bank after adjustments for the year, by the adjusted weighted average number of outstanding ordinary shares for the year.

15 Earnings per share (continued)

	Years ended 31 December	
	2025	2024
Profit for the year attributable to equity holders of the Bank	70,618	68,576
Less: Equity attributable to holders of other equity instruments of the Bank	3,834	4,788
Profit for the year attributable to ordinary shareholders of the Bank	66,784	63,788
Weighted average number of shares (in million shares)	55,452	52,389
Basic earnings per share (in RMB)	1.20	1.22
Diluted earnings per share (in RMB)	1.20	1.20

16 Cash and balances with central banks

	Notes	31 December 2025	31 December 2024
Cash		4,483	4,737
Balances with central banks			
- statutory deposit reserve funds	(i)	297,880	321,339
- surplus deposit reserve funds	(ii)	75,775	6,803
- fiscal deposits	(iii)	3,987	3,699
- foreign exchange reserve	(iv)	4,645	4,178
Accrued interest		146	159
Total		386,916	340,915

Notes:

(i) The Group places statutory deposit reserve funds with the People's Bank of China ("PBOC") and overseas central banks where it has operations. The statutory deposit reserve funds are not available for use in the Group's daily business.

As at 31 December 2025, the statutory deposit reserve funds placed with the PBOC was calculated at 5.5% (31 December 2024: 6%) of eligible Renminbi deposits for domestic branches of the Bank and at 5.5% (31 December 2024: 6%) of eligible Renminbi deposits from overseas financial institutions. The Bank was also required to deposit an amount equivalent to 4% (31 December 2024: 4%) of its foreign currency deposits from domestic branch customers as statutory deposit reserve funds.

16 Cash and balances with central banks (continued)

As at 31 December 2025, the statutory RMB deposit reserve rates applicable to Zhejiang Lin'an CITIC Rural Bank Corporation Limited ("Lin'an Rural Bank"), a subsidiary of the Group, was at 5.5% (31 December 2024: 5%).

The amounts of statutory deposit reserves funds placed with the central banks of overseas countries are determined by respective jurisdictions. The statutory deposit reserve funds are interest-bearing except for the foreign currency reserve funds deposits placed with the PBOC.

(ii) The surplus deposit reserve funds are maintained with the PBOC for the purposes of clearing.

(iii) Fiscal deposits placed with the PBOC are not available for use in the Group's daily operations, and are non-interest bearing (except for regulations provided by the local People's Bank).

(iv) The foreign exchange reserve is maintained with the PBOC in accordance with the related notice issued by the PBOC. The reserve is provided as of 20% of customer-driven foreign exchange forward transactions volume on a monthly basis. Such foreign exchange reserve is non-interest bearing and will be repayable in 12 months according to the Notice.

17 Deposits with banks and non-bank financial institutions

(a) Analysed by types and locations of counterparties

	Note	*31 December 2025*	*31 December 2024*
In Mainland China			
- banks		83,344	76,247
- non-bank financial institutions		15,879	18,880
Subtotal		99,223	95,127
Outside Mainland China			
- banks		40,569	31,507
- non-bank financial institutions		1,256	1,280
Subtotal		41,825	32,787
Accrued interest		209	335
Gross balance		141,257	128,249
Less: Allowances for impairment losses	32	(60)	(56)
Net balance		141,197	128,193

17 Deposits with banks and non-bank financial institutions (continued)

(b) Analysed by remaining maturity

	Note	*31 December 2025*	*31 December 2024*
Demand deposits (Note (i))		117,057	97,100
Time deposits with remaining maturity			
- within one month		12,500	1,781
- between one month and one year		11,491	29,033
Subtotal		141,048	127,914
Accrued interest		209	335
Gross balance		141,257	128,249
Less: Allowances for impairment losses	32	(60)	(56)
Net balance		141,197	128,193

Note:

(i) As at 31 December 2025, within the demand deposits there were pledged deposits of RMB1,198 million (as at 31 December 2024: RMB1,542 million). These deposits were mainly maintenance margins with a regulatory body.

18 Placements with and loans to banks and non-bank financial institutions

(a) Analysed by types and locations of counterparties

	Note	31 December 2025	31 December 2024
In Mainland China			
- banks (Note (i))		28,227	64,651
- non-bank financial institutions		339,700	269,520
Subtotal		367,927	334,171
Outside Mainland China			
- banks		76,680	69,134
- non-bank financial institutions		-	451
Subtotal		76,680	69,585
Accrued interest		1,691	1,230
Gross balance		446,298	404,986
Less: Allowances for impairment losses	32	(200)	(185)
Net balance		446,098	404,801

Note:

(i) The leased gold between Banks is included in the Placements with and loans to banks and non-bank financial institutions, measured at fair value through profit or loss. As at 31 December 2025, the carrying amount of leased gold was RMB15,802 million (as at 31 December 2024: RMB22,789 million)

(b) Analysed by remaining maturity

	Note	31 December 2025	31 December 2024
Within one month		90,657	93,695
Between one month and one year		292,056	251,297
Over one year		61,894	58,764
Accrued interest		1,691	1,230
Gross balance		446,298	404,986
Less: Allowances for impairment losses	32	(200)	(185)
Net balance		446,098	404,801

19 Derivative financial assets/liabilities

Derivatives include forward, swap and option transactions undertaken by the Group in foreign exchange, interest rate, and precious metals derivatives related to trading, asset and liability management and customer-initiated transactions. The Group, through the operations of its branch network, acts as an intermediary for a wide range of customers for structuring deals to offer risk management solutions to match individual customer needs. These positions are actively managed through hedging transactions with external parties to ensure the Group's net exposures are within acceptable risk levels. The Group also uses these derivatives for proprietary trading purposes and to manage its own asset and liability and structural positions. Derivatives are held for trading. Derivatives classified as held for trading are for trading and customer-initiated transactions purpose, and those for risk management purposes do not meet the criteria for hedge accounting.

The contractual/notional amounts of derivatives provide a basis for comparison with fair values of derivatives recognized on the consolidated statement of financial position but do not necessarily indicate the amounts of future cash flows involved or the current fair values of the derivatives and, therefore, do not indicate the Group's exposure to credit or market risks.

	31 December 2025			*31 December 2024*		
	Nominal amount	*Assets*	*Liabilities*	*Nominal amount*	*Assets*	*Liabilities*
Hedging instruments						
- interest rate derivatives	7,081	89	51	5,289	121	29
Non-Hedging instruments						
- interest rate derivatives	5,908,432	11,997	11,988	4,668,484	21,023	20,762
- currency derivatives	5,132,521	28,125	25,356	4,605,533	64,282	57,090
- precious metal derivatives	79,845	815	6,969	94,871	503	3,281
- credit derivatives	70	-	-	-	-	-
Total	11,127,949	41,026	44,364	9,374,177	85,929	81,162

(a) Nominal amount analysed by remaining maturity

	31 December 2025	*31 December 2024*
Within three months	4,516,783	3,243,260
Between three months and one year	4,044,364	4,318,460
Between one year and five years	2,544,155	1,777,322
Over five years	22,647	35,135
Total	11,127,949	9,374,177

19 Derivative financial assets/liabilities (continued)

(b) Credit risk weighted amounts

The credit risk weighted amount has been computed in accordance with "Regulation Governing Capital of Commercial Banks" promulgated by the National Administration of Financial Regulation in the year of 2023, and depends on the status of the counterparties and the maturity characteristics of the instruments, including those customer-driven back-to-back transactions. As at 31 December 2025, the total amount of credit risk weighted amount for counterparty was RMB21,630 million (31 December 2024: RMB24,307 million).

20 Financial assets held under resale agreements

(a) Analysed by types and locations of counterparties

	Note	*31 December 2025*	*31 December 2024*
In Mainland China			
- banks		117,320	101,671
- non-bank financial institutions		51,125	31,919
Subtotal		168,445	133,590
Outside Mainland China			
- banks		82	972
- non-bank financial institutions		1,234	1,759
Subtotal		1,316	2,731
Accrued interest		22	31
Gross balance		169,783	136,352
Less: Allowance for impairment losses	32	(143)	(87)
Net balance		169,640	136,265

20 Financial assets held under resale agreements (continued)

(b) Analysed by types of collateral

	Note	*31 December 2025*	*31 December 2024*
Debt securities		162,139	136,321
Discounted bilis		7,622	-
Subtotal		169,761	136,321
Accrued interest		22	31
Gross balance		169,783	136,352
Less: Allowance for impairment losses	32	(143)	(87)
Net balance		169,640	136,265

(c) Analysed by remaining maturity

	Note	*31 December 2025*	*31 December 2024*
Within one month		169,761	135,622
Between one month and one year		-	699
Accrued interest		22	31
Gross balance		169,783	136,352
Less: Allowance for impairment losses	32	(143)	(87)
Net balance		169,640	136,265

(d) As at 31 December 2025, financial assets held under resale agreements measured at fair value through profit or loss of the Group amounted to RMB1,316 million

21 Loans and advances to customers

(a) Analysed by nature

	Note	31 December 2025	31 December 2024
Loans and advances to customers at amortised cost			
Corporate loans and advances			
- loans		3,110,067	2,771,263
- discounted bills		1,267	2,182
- finance lease receivables		49,915	49,579
Subtotal		3,161,249	2,823,024
Personal loans and advances			
- residential mortgages		1,123,729	1,067,339
- business loans		488,061	488,898
- credit cards		463,091	488,716
- personal consumption		281,777	310,637
- finance lease receivables		9,781	6,151
Subtotal		2,366,439	2,361,741
Accrued interest		23,887	21,715
Gross balance		5,551,575	5,206,480
Less: Allowances impairment losses on loans	32		
- principal		(136,338)	(138,691)
- interest		(2,850)	(1,702)
Loans and advances to customers at amortised cost, net		5,412,387	5,066,087
Loans and advances to customers at fair value through other comprehensive income			
- loans		118,315	76,032
- discounted bills		200,902	447,719
Carrying amount of loans and advances at fair value through other comprehensive income		319,217	523,751
- fair value changes through other comprehensive income		1	105
Carrying amount of loans and advances to customers at fair value through profit or loss		15,267	11,612
Total		5,746,871	5,601,450
Allowances for impairment losses on loans and advances to customers at fair value through other comprehensive income	32	(518)	(549)

21 Loans and advances to customers (continued)

(b) Analysed by assessment method of allowance for impairment losses

	31 December 2025			
	Stage one	*Stage two*	*Stage three (Note (i))*	*Total*
Gross loans and advances to customers at amortised costs	5,332,552	127,834	67,302	5,527,688
Accrued interest	16,568	6,243	1,076	23,887
Less: Allowance for impairment losses	(63,168)	(27,671)	(48,349)	(139,188)
Carrying amount of loans and advances to customers measured at amortised cost	5,285,952	106,406	20,029	5,412,387
Carrying amount of loans and advances to customers at fair value through other comprehensive income	318,958	259	-	319,217
Total carrying amount of loans and advances to customers affected by credit risk	5,604,910	106,665	20,029	5,731,604
Allowance for impairment losses on loans and advances to customers at fair value through other comprehensive income	(516)	(2)	-	(518)

	31 December 2024			
	Stage one	*Stage two*	*Stage three (Note (i))*	*Total*
Gross loans and advances to customers at amortised costs	5,000,518	115,459	68,788	5,184,765
Accrued interest	15,835	5,087	793	21,715
Less: Allowance for impairment losses	(62,041)	(29,453)	(48,899)	(140,393)
Carrying amount of loans and advances to customers measured at amortised cost	4,954,312	91,093	20,682	5,066,087
Carrying amount of loans and advances to customers at fair value through other comprehensive income	523,134	460	157	523,751
Total carrying amount of loans and advances to customers affected by credit risk	5,477,446	91,553	20,839	5,589,838
Allowance for impairment losses on loans and advances to customers at fair value through other comprehensive income	(545)	(1)	(3)	(549)

21 Loans and advances to customers (continued)

Note:

(i) Stage 3 loans are loans and advances to customers that have incurred credit impairment.

	31 December 2025	*31 December 2024*
Secured portion	36,755	33,296
Unsecured portion	30,547	35,649
Gross balance	67,302	68,945
Allowance for impairment losses	(48,349)	(48,902)

As at 31 December 2025, the maximum exposure covered by pledge and collateral held on secured portion is RMB33,369 million (as at 31 December 2024: RMB32,890 million).

The fair value of collateral was estimated by management based on the latest revaluation including available external valuation, if any, adjusted by taking into account the current realisation experience as well as market situation.

(c) Overdue loans analysed by overdue period

	31 December 2025				
	Overdue within three months	*Overdue between three months and one year*	*Overdue between one year and three years*	*Overdue over three years*	*Total*
Unsecured loans	16,975	11,037	2,101	1,411	31,524
Guaranteed loans	1,830	3,257	3,350	2,585	11,022
Loans with pledged assets					
- loans secured by collateral	12,197	11,737	9,138	2,341	35,413
- pledged loans	2,134	1,056	2,270	179	5,639
Total	33,136	27,087	16,859	6,516	83,598

21 Loans and advances to customers (continued)

	31 December 2024				
	Overdue within three months	*Overdue between three months and one year*	*Overdue between one year and three years*	*Overdue over three years*	*Total*
Unsecured loans	29,555	13,178	2,171	380	45,284
Guaranteed loans	7,497	3,683	2,899	2,678	16,757
Loans with pledged assets					
- loans secured by collateral	12,846	10,965	9,216	2,071	35,098
- pledged loans	3,220	1,570	570	137	5,497
Total	53,118	29,396	14,856	5,266	102,636

Overdue loans represent loans of which the principal or interest are overdue one day or more.

(d) Finance lease receivables

Finance lease receivables are attributable to the Group's subsidiaries, CITIC Financial Leasing Limited ("CFLL") and CITIC International Finance Holdings Limited ("CIFH"), include net investment in machines and equipment leased to customers under finance lease and hire purchase contracts which have the characteristics of finance leases. The remaining period of these contracts range from 1 to 25 years. The total finance lease receivables under finance lease and hire purchase contracts and their present values are as follows:

	31 December 2025	*31 December 2024*
Within one year (including one year)	14,432	21,545
One year to two years (including two years)	11,518	10,651
Two years to three years (including three years)	8,118	6,929
Over three years	25,987	16,974
Gross balance	60,055	56,099
Less: Allowance for impairment losses		
- stage one	(502)	(705)
- stage two	(412)	(858)
- stage three	(157)	(381)
Net balance	58,984	54,155

22 Financial investments

(a) Analysed by types

	Note	31 December 2025	31 December 2024
Financial assets at fair value through profit or loss			
Investment funds		421,314	427,597
Debt securities		210,844	153,564
Equity instruments		19,885	5,213
Certificates of deposit and interbank certificates of deposit		18,375	57,626
Trust investment plans		5,467	1,267
Wealth management products and others		2,893	2,131
Net balance		678,778	647,398
Financial assets at amortised cost			
Debt securities		1,119,632	920,170
Trust investment plans		177,036	189,906
Investment management products managed by securities companies		27,092	20,162
Certificates of deposit and interbank certificates of deposit		1,048	1,095
Subtotal		1,324,808	1,131,333
Accrued interest		13,056	13,821
Less: Allowance for impairment losses	32	(24,964)	(26,165)
- principles		(24,623)	(26,108)
- accrued interest		(341)	(57)
Net balance		1,312,900	1,118,989

22 Financial investments (continued)

	Note	31 December 2025	31 December 2024
Financial assets at fair value through other comprehensive income (Note (i))			
Debt securities		906,867	831,495
Certificates of deposit and interbank certificates of deposit		13,529	11,861
Subtotal		920,396	843,356
Accrued interest		6,517	6,425
Net balance		926,913	849,781
Financial assets designated at fair value through other comprehensive income (Note (i))		8,234	4,702
Total		2,926,825	2,620,870
Allowances for impairment losses on financial investments at fair value through other comprehensive income	32	(2,799)	(2,558)

Notes:

(i) Financial investments at fair value through other comprehensive income and financial investments designated at fair value through other comprehensive income:

		31 December 2025		
	Note	Equity instruments	Debt securities instruments	Total
Costs/Amortised cost		8,887	921,294	930,181
Accumulated fair value change in other comprehensive income		(653)	(898)	(1,551)
Fair value		8,234	920,396	928,630
Allowance for impairment losses	32		(2,799)	(2,799)

22 Financial investments (continued)

	Note	31 December 2024		
		Equity instruments	Debt securities instruments	Total
Costs/Amortised cost		5,390	829,405	834,795
Accumulated fair value change in other comprehensive income		(688)	13,951	13,263
Fair value		4,702	843,356	848,058
Allowance for impairment losses	32		(2,558)	(2,558)

(b) Analysed by location of counterparties

	Note	31 December 2025	31 December 2024
In Chinese Mainland			
- governments		1,413,127	1,406,533
- policy banks		169,962	29,337
- banks and non-bank financial institutions		892,276	831,313
- corporates		203,871	130,868
Subtotal		2,679,236	2,398,051
Outside Chinese Mainland			
- governments		62,946	65,255
- banks and non-bank financial institutions		103,023	94,032
- corporates		73,294	57,938
- public entities		13,717	11,513
Subtotal		252,980	228,738
Accrued interest		19,573	20,246
Total		2,951,789	2,647,035
Less: Impairment allowance for financial assets at amortised cost	32	(24,964)	(26,165)
Net balance		2,926,825	2,620,870
Listed in Hong Kong		52,100	43,954
Listed outside Hong Kong		2,533,537	2,319,126
Unlisted		341,188	257,790
Total		2,926,825	2,620,870

Bonds traded in China's inter-bank bond market are listed outside Hong Kong.

22 Financial investments (continued)

(c) Analysed by assessment method of allowance for impairment losses

	31 December 2025			
	Stage one	*Stage two*	*Stage three*	*Total*
Financial assets at amortised costs	1,276,373	8,735	39,700	1,324,808
Accrued interest	11,327	1,612	117	13,056
Less: Allowance for impairment losses	(1,858)	(1,548)	(21,558)	(24,964)
Net balance	1,285,842	8,799	18,259	1,312,900
Financial assets at fair value through other comprehensive income	920,149	44	203	920,396
Accrued interest	6,512	3	2	6,517
Net balance	926,661	47	205	926,913
Total carrying amount of financial assets affected by credit risk	2,212,503	8,846	18,464	2,239,813
Allowance for impairment losses of financial assets at fair value through other comprehensive income included in other comprehensive income	(1,854)	(6)	(939)	(2,799)

	31 December 2024			
	Stage one	*Stage two*	*Stage three*	*Total*
Financial assets at amortised costs	1,077,295	8,921	45,117	1,131,333
Accrued interest	12,468	1,290	63	13,821
Less: Allowance for impairment losses	(1,901)	(1,046)	(23,218)	(26,165)
Net balance	1,087,862	9,165	21,962	1,118,989
Financial assets at fair value through other comprehensive income	842,850	-	506	843,356
Accrued interest	6,401	-	24	6,425
Net balance	849,251	-	530	849,781
Total carrying amount of financial assets affected by credit risk	1,937,113	9,165	22,492	1,968,770
Allowance for impairment losses of financial assets at fair value through other comprehensive income included in other comprehensive income	(1,787)	-	(771)	(2,558)

23 Investments in associates and joint ventures

	Note	31 December 2025	31 December 2024
Investments in joint ventures	(a)	7,430	7,009
Investments in associates	(b)	1,357	340
Total		8,787	7,349

(a) Investment in joint ventures

The details of the joint ventures as at 31 December 2025 were as follows:

Name of company	*Form of business structure*	*Place of incorporation*	*Effective percentage of shares*	*Principal activities*	*Nominal value of issued shares*
CITIC aiBank Corporation Limited ("CITIC aiBank") (Note (i))	Corporation	Mainland China	65.7%	Financial services	RMB 5.634 billion
JSC Altyn Bank (Note (ii))	Stock company	Kazakhstan	50.1%	Financial services	KZT 7.05 billion

Notes:

(i) According to the articles of association of CITIC aiBank, major activities of CITIC aiBank must be decided after the unanimous consent of the Bank and another shareholder Fujian Baidu Borui Network Technology Co., Ltd..

(ii) According to the Articles of Association of JSC Altyn Bank, decisions regarding all major activities of JSC Altyn Bank shall be subject to the joint approval of the Bank and the other shareholder, the JSC Halyk Bank of Kazakhstan.

Financial statements of the joint ventures are as follow:

	As at or for the year ended 2025				
Name of Company	*Total assets*	*Total liabilities*	*Total net assets*	*Operating income*	*Net gain*
CITIC aiBank	128,086	117,670	10,416	5,929	453
JSC Altyn Bank	18,468	16,176	2,292	916	555

	As at or for the year ended 2024				
Name of Company	*Total assets*	*Total liabilities*	*Total net assets*	*Operating income*	*Net gain*
CITIC aiBank	117,290	108,245	9,045	4,626	652
JSC Altyn Bank	13,937	12,024	1,913	965	577

23 Investments in associates and joint ventures (continued)

Movement of the Group's interests in the joint ventures:

	Year ended 31 December 2025	*Year ended 31 December 2024*
Initial investment cost	5,265	5,265
As at 1 January	7,009	6,572
Dividend received	(105)	(137)
Other changes in equity	(32)	13
Share of net gain of the joint ventures for the year	576	743
Exchange difference	(18)	(182)
As at 31 December	7,430	7,009

(b) Investment in associates

The Group holds its investment in associates through subsidiaries and details of the associates as at 31 December 2025 was as follows:

Name of Company	*Form of business structure*	*Place of incorporation*	*Effective percentage of shares and voting right held by the Group*	*Principal activities*	*Nominal value of issued shares*
CITIC International Assets Management Limited ("CIAM")	Corporation	Hong Kong	46%	Investment holding and assets management	HKD2,218 million
Tianjin Leasing Assets Trading Center Co., Ltd. ("Tianjin Leasing Asset Trading Center")	Corporation	Tianjin	20%	Services and investment	RMB500 million
Genertec Universal Medical Group Co., Ltd ("Universal Medical ") (Note (i))	Corporation	Hong Kong	6.17%	Healthcare wellness and Healthcare Finance	HKD2,014 million

Financial statements of the associates are as follow:

	As at or for the year ended 2025				
Name of Company	*Total assets*	*Total liabilities*	*Total net assets*	*Operating income*	*Net loss*
CIAM	464	30	434	(89)	(99)
Tianjin Leasing Asset Trading Center	457	34	423	0	(17)

	As at or for the year ended 2024				
Name of Company	*Total assets*	*Total liabilities*	*Total net assets*	*Operating income*	*Net loss*
CIAM	585	39	546	(14)	(64)
Tianjin Leasing Asset Trading Center	474	35	439	2	(75)

23 Investments in associates and joint ventures (continued)

Notes:

(i) The Group invested in Genertec Universal Medical Group Co., Ltd on September 25, 2025, and appointed one director to the board on November 17, 2025, with a 6.17% stake. Universal Medical listed on the Hong Kong Stock Exchange, and its relevant financial information shall refer to the announcement disclosure of the company.

	Notes	*Year ended 31 December 2025*	*Year ended 31 December 2024*
Initial investment cost		2,226	1,058
As at 1 January		340	373
Changes in investment in associates		1,168	-
Share of net (loss) of associates for the year		(31)	(28)
Other changes in equity		1	2
Provision for impairment	32	(85)	-
Exchange difference		(36)	(7)
As at 31 December		1,357	340

Movement of the Group's interests in associates:

24 Investments in subsidiaries

	Notes	*31 December 2025*	*31 December 2024*
Investment in subsidiaries			
- CIFH	(i)	16,570	16,570
- CNCB (Hong Kong) Investment Limited ("CNCB Investment")	(ii)	1,577	1,577
- Lin'an Rural Bank	(iii)	102	102
- CFLL	(iv)	7,000	4,000
- CITIC Wealth Management CO., LTD. ("CITIC Wealth")	(v)	5,000	5,000
- CITIC Financial Assets Investment CO., LTD. ("CITIC Financial Investment")	(vi)	10,000	-
Total		40,249	27,249

24 Investments in subsidiaries (continued)

Major subsidiaries of the Group as at 31 December 2025 are as follows:

Name of company	*Principal place of business*	*Place of incorporation*	*Particulars of the issued and paid up capital*	*Principal activities*	*% of ownership directly held by the Bank*	*The Group's effective interest*
CIFH (Note (i))	Hong Kong	Hong Kong	HKD7,503 million	Commercial banking and non-bank financial services	100%	100%
CNCB Investment (Note (ii))	Hong Kong	Hong Kong	HKD1,871 million	Lending services and investment banking services	100%	100%
Lin'an Rural Bank (Note (iii))	Hangzhou, Zhejiang Province	Hangzhou, Zhejiang Province	RMB200 million	Commercial banking	51%	51%
CFLL (Note (iv))	Tianjin	Tianjin	RMB10,000 million	Financial lease operations	100%	100%
CITIC Wealth (Note (v))	Shanghai	Shanghai	RMB5,000 million	Wealth management	100%	100%
CITIC Financial Investment (Note (vi))	Guangzhou, Guangdong Province	Guangzhou, Guangdong Province	RM10,000 million	Marketization of debt to equity conversion and equity investment services	100%	100%

Notes:

(i) CIFH is an investment holding company registered and headquartered in Hong Kong. Its business scope through its subsidiaries covers commercial banking and non-bank financial services. The Bank holds 100% shareholding in CIFH. CIFH holds 75% shareholding in CITIC Bank International Limited ("CNCBI").

(ii) CNCB Investment founded in 1984, formerly China Investment and Finance Limited, incorporated and operating in Hong Kong, holds a money lending licence; and also the No.1, 4, 6 and 9 licenses from Hong Kong Securities Regulatory Commission through its wholly-owned subsidiary CNCB (Hong Kong) Capital Limited. The business scope of CNCB Investment includes investment banking, capital market investment, lending and other related services.

(iii) Lin'an Rural Bank was founded in 2011 with a registered capital of RMB200 million. Its principal activities are commercial banking and related businesses. The Bank holds 51% of Lin'an Rural Bank's shares and voting rights.

(iv) The Bank established CFLL in 2015 with a registered capital of RMB4 billion. Its principal business activity is financial leasing. On 27 June 2025, with the approval of Tianjin Financial Supervision Bureau, The Bank increased CFLL's registered capital by RMB 3 billion in cash, and CFLL increased its registered capital by RMB 3 billion through undistributed profits. CFLL changed its registered capital from RMB4 billion to RMB10 billion,The Bank holds 100% of its shares and voting rights.

24 Investments in subsidiaries (continued)

(v) CITIC Wealth was established in 2020 with a registered capital of RMB5 billion. Its principal business operation is wealth management. The Bank holds 100% of its shares and voting rights.

(vi) CITIC Financial Investment was established in 2025 with a registered capital of RMB10 billion. Its principal business operation is market-based debt to equity swaps and equity investment services. The Bank holds 100% of its shares and voting rights.

25 Investment properties

	Year ended 31 December 2025	*Year ended 31 December 2024*
Fair value as at 1 January	578	528
Change in fair value	(86)	4
Transfers	55	27
Exchange difference	(27)	19
Fair value as at 31 December	520	578

Investment properties of the Group are buildings held by subsidiaries and mainly located in Hong Kong and leased to third parties through operating leases. There are active real estate markets where the investment properties are located and the Group is able to obtain market price and related information of similar properties, and therefore makes estimation about the fair value of the investment properties as at 31 December 2025.

All investment properties of the Group were revalued at 31 December 2025 by an independent firm of surveyors on an open market value basis. The fair value is in line with the definition of “IFRS13 – Fair value measurement”. The revaluation surplus has been recognized in the profit or loss for the current year.

The investment properties of the Group are categorised into Level 3.

26 Property, plant and equipment

	Buildings	*Construction in progress*	*Aircraft and vessels, etc*	*Computer equipment and others*	*Total*
Cost or deemed cost:					
As at 1 January 2025	36,874	773	12,840	17,555	68,042
Additions	137	466	31,797	1,596	33,996
Disposals/Transfers	(71)	-	(1,224)	(937)	(2,232)
Exchange differences	(23)	-	(302)	(67)	(392)
As at 31 December 2025	36,917	1,239	43,111	18,147	99,414
Accumulated depreciation:					
As at 1 January 2025	(10,440)	-	(290)	(10,796)	(21,526)
Depreciation charges	(1,109)	-	(1,044)	(2,023)	(4,176)
Disposals/Transfers	13	-	97	646	756
Exchange differences	13	-	7	46	66
As at 31 December 2025	(11,523)	-	(1,230)	(12,127)	(24,880)
Net carrying value:					
As at 1 January 2025	26,434	773	12,550	6,759	46,516
As at 31 December 2025 (Note (i))	25,394	1,239	41,881	6,020	74,534

26 Property, plant and equipment (continued)

	Buildings	*Construction in progress*	*Aircraft and vessels, etc*	*Computer equipment and others*	*Total*
Cost or deemed cost:					
As at 1 January 2024	34,036	3,147	3,500	17,005	57,688
Additions	2,928	-	9,670	1,790	14,388
Disposals/Transfers	(107)	(2,374)	(384)	(1,273)	(4,138)
Exchange differences	17	-	54	33	104
As at 31 December 2024	36,874	773	12,840	17,555	68,042
Accumulated depreciation:					
As at 1 January 2024	(9,398)	-	(76)	(9,905)	(19,379)
Depreciation charges	(1,110)	-	(246)	(2,079)	(3,435)
Disposals/Transfers	79	-	33	1,212	1,324
Exchange differences	(11)	-	(1)	(24)	(36)
As at 31 December 2024	(10,440)	-	(290)	(10,796)	(21,526)
Net carrying value:					
As at 1 January 2024	24,638	3,147	3,424	7,100	38,309
As at 31 December 2024 (Note (i))	26,434	773	12,550	6,759	46,516

Note:

(i) As at 31 December 2025, the registration of certain buildings acquired has not been completed, and the net book value of such buildings was approximately RMB10,334 million (as at 31 December 2024: RMB10,411 million). The Group believes the incomplete registration does not affect the rights of the Group as the legal successor to these buildings.

27 Right-of-use assets

	Buildings	*Land use right*	*Equipment*	*Vehicles and others*	*Total*
Cost or deemed cost:					
As at 1 January 2025	21,469	1,221	66	78	22,834
Additions	2,476	-	1	5	2,482
Disposals	(2,850)	-	(57)	(24)	(2,931)
Exchange differences	(47)	-	-	-	(47)
As at 31 December 2025	21,048	1,221	10	59	22,338
Accumulated depreciation:					
As at 1 January 2025	(11,268)	(419)	(64)	(48)	(11,799)
Accrual	(2,944)	(30)	(1)	(10)	(2,985)
Disposals	2,679	-	57	23	2,759
Exchange differences	24	-	-	-	24
As at 31 December 2025	(11,509)	(449)	(8)	(35)	(12,001)
Net carrying value:					
As at 1 January 2025	10,201	802	2	30	11,035
As at 31 December 2025	9,539	772	2	24	10,337

	Buildings	*Land use right*	*Equipment*	*Vehicles and others*	*Total*
Cost or deemed cost:					
As at 1 January 2024	20,132	1,221	72	73	21,498
Additions	3,682	-	2	11	3,695
Disposals	(2,379)	-	(8)	(6)	(2,393)
Exchange differences	34	-	-	-	34
As at 31 December 2024	21,469	1,221	66	78	22,834
Accumulated depreciation:					
As at 1 January 2024	(10,356)	(389)	(70)	(40)	(10,855)
Accrual	(3,194)	(30)	(2)	(13)	(3,239)
Disposals	2,291	-	8	5	2,304
Exchange differences	(9)	-	-	-	(9)
As at 31 December 2024	(11,268)	(419)	(64)	(48)	(11,799)
Net carrying value:					
As at 1 January 2024	9,776	832	2	33	10,643
As at 31 December 2024	10,201	802	2	30	11,035

As at 31 December 2025, the balance of the Group's lease liabilities amounted to RMB10,249million (31 December 2024: RMB10,861 million), including RMB2,616 million of lease liabilities that will mature within a year (31 December 2024: RMB2,912 million).

27 Right-of-use assets (continued)

As at 31 December 2025, lease payments relating to lease contracts signed but to be executed amounted to RMB49 million (31 December 2024: RMB573 million).

For the year ended 31 December 2025, the lease expense of short-term leases with a lease term of no more than 12 months and leases of assets with low values amounted to RMB340 million (for the year ended 31 December 2024: RMB411 million).

28 Intangible assets

The Group's intangible assets mainly include computer software and data resources. As at 31 December 2025, in accordance with the Notice on Promulgation of the Provisions on Accounting Treatment for Enterprise Data Resources issued by the Ministry of Finance, the original value of data resources recognized as intangible assets was RMB19.02 million (31 December 2024: RMB5.79 million), the accumulated amortization was RMB3.62 million (31 December 2024: RMB0.85 million), and the net carrying amount was RMB15.40 million (31 December 2024: RMB4.94 million).

29 Goodwill

	Year ended 31 December 2025	*Year ended 31 December 2024*
As at 1 January	959	926
Exchange difference	(43)	33
As at 31 December	916	959

Based on the result of impairment test, no impairment losses on goodwill were recognized as at 31 December 2025 (31 December 2024: Nil).

30 Deferred tax assets/(liabilities)

	31 December 2025	*31 December 2024*
Deferred tax assets	54,670	54,130
Deferred tax liabilities	(128)	(39)
Net	54,542	54,091

30 Deferred tax assets/(liabilities) (continued)

(a) Analysed by nature and jurisdiction

	31 December 2025		*31 December 2024*	
	Deductible/ (taxable) temporary differences	*Deferred tax assets/ (liabilities)*	*Deductible/ (taxable) temporary differences*	*Deferred tax assets/ (liabilities)*
Deferred tax assets				
- allowance for impairment losses	212,930	53,143	221,382	55,261
- fair value adjustments	(18,410)	(4,620)	(26,237)	(6,585)
- employee retirement benefits and salaries payable	16,240	4,060	15,830	3,957
- others	8,368	2,087	5,817	1,497
Subtotal	219,128	54,670	216,792	54,130
Deferred tax liabilities				
- allowance for impairment losses	927	153	-	-
- fair value adjustments	(804)	(137)	(58)	(14)
- others	(876)	(144)	(158)	(25)
Subtotal	(753)	(128)	(216)	(39)
Total	218,375	54,542	216,576	54,091

(b) Offsetting of deferred tax assets and deferred tax liabilities

As at 31 December 2025, the deferred tax assets/liabilities offset by the Group were RMB7,200 million (31 December 2024: RMB9,277 million).

(c) Movement of deferred tax

	Allowance for impairment losses	*Fair value adjustments*	*Employee retirement benefits and accrued staff cost*	*Others*	*Total deferred tax*
As at 1 January 2025	55,261	(6,599)	3,957	1,472	54,091
Recognized in profit or loss	(1,962)	(1,980)	103	492	(3,373)
Recognized in other comprehensive income	-	3,821	-	-	3,821
Exchange differences	(3)	1	-	5	3
As at 31 December 2025	53,296	(4,757)	4,060	1,943	54,542
As at 1 January 2024	49,423	(2,540)	4,394	1,202	52,479
Recognized in profit or loss	5,833	(630)	(437)	299	5,065
Recognized in other comprehensive income	-	(3,434)	-	(26)	(3,460)
Exchange differences	5	5	-	(3)	7
As at 31 December 2024	55,261	(6,599)	3,957	1,472	54,091

31 Other assets

	Notes	31 December 2025	31 December 2024
Advanced payments and settlement accounts		32,978	21,439
Assets with continuing involvement		10,614	11,582
Precious metal leasing		11,935	7,692
Fee and commission receivables		8,142	6,545
Interest receivables	(i)	5,682	6,807
Prepayments for properties and equipment		3,335	6,353
Other receivables		2,328	1,552
Repossessed assets	(ii)	990	1,154
Leasehold improvements		962	1,047
Prepaid rent		16	14
Others	(iii)	14,345	13,741
Total		91,327	77,926

Notes:

(i) Interest receivable

Interest receivable represents interest on financial instruments due and receivable but not yet received as at the balance sheet date and is stated net of corresponding impairment allowances. The impairment allowance on the Group's interest receivable is RMB5,758 million (as at 31 December 2024: RMB7,019 million).

(ii) Repossessed assets

	Notes	31 December 2025	31 December 2024
Premises		2,222	2,284
Others		2	2
Gross balance		2,224	2,286
Less: Allowance for impairment losses	32	(1,234)	(1,132)
Net balance		990	1,154

As at 31 December 2025, the Group intended to dispose all the repossessed assets and had no plan to transfer the repossessed assets for own use (as at 31 December 2024: Nil).

31 Other assets (continued)

(iii) Others

Others include deferred expenses, advance payment of legal fees, advances for cases and risk events, etc.

32 Movements of allowance for impairment losses

	Notes	*Year ended 31 December 2025*				
		As at 1 January	*Charge for the year*	*Write-offs/ transfer out*	*Others Notes (i)*	*As at 31 December*
Allowance for credit impairment losses						
Deposits with bank and non-bank financial institutions	17	56	5	-	(1)	60
Placements with and loans to banks and non-bank financial institutions	18	185	16	-	(1)	200
Financial assets held under resale agreements	20	87	56	-	-	143
Loans and advances to customers	21	139,240	51,030	(65,584)	12,170	136,856
Financial investments						
- at amortised cost	22	26,108	601	(3,094)	1,008	24,623
- at fair value through other comprehensive income	22	2,558	307	-	(66)	2,799
Other financial assets and accrued interest		12,073	5,735	(6,997)	402	11,213
Off balance sheet credit assets	40	9,721	189	-	(17)	9,893
Subtotal		190,028	57,939	(75,675)	13,495	185,787
Allowance for impairment losses on other assets						
Investments in associates and joint ventures	23	-	85	-	-	85
Other assets - repossessed assets	31	1,132	148	(45)	(1)	1,234
Subtotal		1,132	233	(45)	(1)	1,319

32 Movements of allowance for impairment losses (continued)

	Notes	Year ended 31 December 2024				
		As at 1 January	Charge/ (reversal) for the year	Write-offs/ transfer out	Others Notes (i)	As at 31 December
Allowance for credit impairment losses						
Deposits with bank and non-bank financial institutions	17	56	-	-	-	56
Placements with and loans to banks and non-bank financial institutions	18	143	42	-	-	185
Financial assets held under resale agreements	20	99	(12)	-	-	87
Loans and advances to customers	21	134,517	52,699	(60,724)	12,748	139,240
Financial investments						
- at amortised cost	22	26,239	3,104	(3,205)	(30)	26,108
- at fair value through other comprehensive income	22	1,968	735	(160)	15	2,558
Other financial assets and accrued interest		11,069	5,564	(5,848)	1,288	12,073
Off balance sheet credit assets	40	10,520	(1,087)	(41)	329	9,721
Subtotal		184,611	61,045	(69,978)	14,350	190,028
Allowance for impairment losses on other assets						
Investments in associates and joint ventures	23	-	-	-	-	-
Other assets - repossessed assets	31	1,138	68	(74)	-	1,132
Subtotal		1,138	68	(74)	-	1,132

The impairment losses of accrued interest of the financial instruments in this table and its changes are included in “Other financial assets and accrued interest”.

Notes:

(i) Others include recovery of loans written off, and effect of exchange differences during the year.

33 Deposits from banks and non-bank financial institutions

Analysed by types and locations of counterparties

	31 December 2025	*31 December 2024*
In Mainland China		
- banks	216,163	343,795
- non-bank financial institutions	710,158	616,466
Subtotal	926,321	960,261
Outside Mainland China		
- banks	8,157	5,661
- non-bank financial institutions	274	238
Subtotal	8,431	5,899
Accrued interest	1,920	2,332
Total	936,672	968,492

34 Placements from banks and non-bank financial institutions

Analysed by types and locations of counterparties

	31 December 2025	*31 December 2024*
In Mainland China		
- banks	136,173	69,555
Subtotal	136,173	69,555
Outside Mainland China		
- banks	21,484	18,707
- non-bank financial institutions	751	271
Subtotal	22,235	18,978
Accrued interest	605	17
Total	159,013	88,550

35 Financial assets sold under repurchase agreements

(a) Analysed by type and location of counterparties

	31 December 2025	*31 December 2024*
In Mainland China		
- PBOC	358,122	196,732
- Banks	95,875	66,474
- Non-bank financial institutions	1,000	-
Subtotal	454,997	263,206
Outside Mainland China		
- Banks	21,822	14,561
Subtotal	21,822	14,561
Accrued interest	683	236
Total	477,502	278,003

(b) Analysed by type of collateral

	31 December 2025	*31 December 2024*
Debt securities	474,295	201,035
Discounted bills	2,524	76,732
Accrued interest	683	236
Total	477,502	278,003

The Group did not derecognize financial assets transferred as collateral in connection with financial assets sold under repurchase agreements. As at 31 December 2025, no legal title of the collateral has been transferred to counterparties. The above information of collateral is included in the Note 52.

36 Deposits from customers

Analysed by nature

	31 December 2025	*31 December 2024*
Demand deposits		
- corporate customers	1,985,116	1,986,104
- personal customers	473,380	439,965
Subtotal	2,458,496	2,426,069
Time and call deposits		
- corporate customers	2,185,649	2,062,315
- personal customers	1,320,869	1,221,680
Subtotal	3,506,518	3,283,995
Outward remittance and remittance payables	84,261	68,167
Accrued interest	77,737	86,080
Total	6,127,012	5,864,311

Guarantee deposits included in above deposits:

	31 December 2025	*31 December 2024*
Bank acceptances	440,829	465,609
Guarantees	28,343	21,411
Letters of credit	46,060	43,450
Others	42,373	30,284
Total	557,605	560,754

37 Accrued staff costs

	Notes	Year ended 31 December 2025			
		As at 1 January	Additions during the year	Reductions during the year	As at 31 December
Salaries and bonuses		19,091	28,449	(27,625)	19,915
Social insurance		10	2,203	(2,195)	18
Welfare expenses		5	1,584	(1,584)	5
Housing fund		7	2,303	(2,298)	12
Labor union expenses and employee education expenses		1,079	517	(674)	922
Post-employment benefits - defined contribution plans	(a)	18	4,770	(4,765)	23
Post-employment benefits - defined benefit plans	(b)	17	-	(1)	16
Other benefits		91	420	(445)	66
Total		20,318	40,246	(39,587)	20,977

	Notes	Year ended 31 December 2024			
		As at 1 January	Additions during the year	Reductions during the year	As at 31 December
Salaries and bonuses		21,238	28,000	(30,147)	19,091
Social insurance		10	2,208	(2,208)	10
Welfare expenses		3	1,571	(1,569)	5
Housing fund		7	2,179	(2,179)	7
Labor union expenses and employee education expenses		952	915	(788)	1,079
Post-employment benefits - defined contribution plans	(a)	18	4,490	(4,490)	18
Post-employment benefits - defined benefit plans	(b)	17	-	-	17
Other benefits		175	321	(405)	91
Total		22,420	39,684	(41,786)	20,318

(a) Post-employment benefits - defined contribution plans

Post-employment benefits defined contribution plans include contributions to statutory retirement plan. Pursuant to the relevant laws and regulations in the PRC governing labor and social security, the Group has joined statutory retirement plan for the employees as set out by city and provincial governments. The Group is required to make contributions based on defined ratios of the salaries, bonuses and certain allowance of the employees to the statutory retirement plan under the administration of the government.

In addition to the above statutory retirement plan, the Bank's qualified employees have joined a defined contribution retirement scheme (the "Scheme") which was established by the Group and managed by CITIC Group. For year ended 31 December 2025, the Bank has made annuity contributions at 8% (31 December 2024: 8%) of its employees' gross wages. For year ended 31 December 2025, the Bank made annuity contribution amounted to RMB1,955 million (year ended 31 December 2024: RMB1,855 million).

37 Accrued staff costs (continued)

The Group operates a defined contribution provident fund and a Mandatory Provident Fund scheme for Hong Kong staff. Contributions are charged to profit or loss when the contribution fall due.

(b) Post-employment benefits - defined benefit plans

The Group offers supplementary retirement benefits for certain of its qualified employees in Mainland China. Retired employees are eligible to join this supplementary retirement benefit plan. The amount that is recognized as at reporting date presents the discounted value of benefit obligation in the future.

The present value of the Group's supplementary retirement plan obligations on the date of balance sheet is calculated through projected unit credit method and computed by a qualified professional actuary firm Towers Watson Consulting (Shenzhen) Ltd. Beijing Branch.

The primary assumptions used by the actuary are as follows

	31 December 2025	*31 December 2024*
Discount rate	1.75%	1.75%
Annual withdrawal rate	5.00%	5.00%
Normal retirement age	Male: 63 years old Female: 58 years old	Male: 60 years old Female: 55 years old
Annual increase rate of social average wage and salary for current active employees	5.00%	5.00%
Mortality rate	Determined by the China Life Insurance Mortality Table	

In 2024 and 2025, the change amount of supplementary retirement benefits scheme liabilities incurred by the actuarial assumptions variations illustrated above was immaterial.

(c) The salaries, bonuses, allowances and subsidies, retirement benefits and other social insurance payable to employees are paid in accordance with relevant laws and regulations within time limit stipulated by the Group.

38 Taxes payable

	31 December 2025	31 December 2024
Income tax	567	3,297
VAT and surcharges	3,798	3,708
Others	277	640
Total	4,642	7,645

39 Debt securities issued

	Notes	31 December 2025	31 December 2024
Long-term debt securities issued	(a)	204,447	207,454
Subordinated bonds issued:			
- by the Bank	(b)	69,995	69,992
- by CNCBI	(c)	3,479	3,628
Certificates of deposit issued		-	1,460
Certificates of interbank deposit issued	(d)	933,507	930,954
Convertible corporate bonds	(e)	-	7,034
Accrued interest		2,911	3,516
Total		1,214,339	1,224,038

39 Debt securities issued (continued)

(a) Long-term debt securities issued by the Group as at 31 December 2025:

Bond Type	*Start Date*	*Maturity Date*	*Annual Interest Rate*	*31 December 2025 Nominal Value* RMB	*31 December 2024 Nominal Value* RMB
Fixed rate bond	2 February 2021	2 February 2026	1.250%	2,446	2,554
Fixed rate bond	28 April 2022	28 April 2025	2.800%	-	30,000
Fixed rate bond	5 August 2022	5 August 2025	2.500%	-	30,000
Fixed rate bond	27 March 2023	27 March 2026	2.790%	10,000	10,000
Fixed rate bond	13 April 2023	13 April 2026	2.770%	30,000	30,000
Fixed rate bond	16 May 2023	16 May 2026	2.680%	10,000	10,000
Fixed rate bond	22 April 2024	17 April 2025	3.400%	-	1,335
Floating rate bond	2 July 2024	9 July 2027	SOFR +0.550%	2,097	2,190
Fixed rate bond	12 July 2024	12 July 2027	2.100%	40,000	40,000
Fixed rate bond	8 August 2024	6 August 2025	3.200%	-	700
Fixed rate bond	9 August 2024	9 August 2027	1.810%	20,000	20,000
Fixed rate bond	7 November 2024	7 November 2027	2.060%	25,000	25,000
Fixed rate bond	7 November 2024	7 November 2027	2.060%	5,000	5,000
Fixed rate bond	10 December 2024	10 September 2027	3.100%	700	700
Fixed rate bond	28 March 2025	28 March 2028	1.920%	30,000	-
Fixed rate bond	11 April 2025	10 April 2026	2.700%	1,160	-
Fixed rate bond	28 April 2025	28 April 2028	1.670%	5,000	-
Fixed rate bond	13 May 2025	7 May 2026	1.950%	220	-
Fixed rate bond	20 May 2025	20 May 2028	1.660%	10,000	-
Fixed rate bond	19 June 2025	19 June 2028	2.400%	1,100	-
Fixed rate bond	8 July 2025	24 June 2026	1.850%	350	-
Fixed rate bond	9 July 2025	25 June 2026	1.800%	300	-
Floating rate bond	5 August 2025	7 August 2028	SOFR +0.500%	2,097	-
Fixed rate bond	25 November 2025	24 November 2028	1.920%	3,000	-
Floating rate bond	27 November 2025	27 November 2028	One-year LPR-1.13%	6,000	-
Total nominal value				204,470	207,479
Less: Unamortised issuance cost				(23)	(25)
Less: offset				-	-
Carrying value				204,447	207,454

(b) The carrying value of the Bank's subordinated bonds issued:

	Notes	*31 December 2025*	*31 December 2024*
Subordinated fixed rate bonds maturing:			
- in August 2030	(i)	-	39,996
- in December 2033	(ii)	21,498	21,496
- in May 2035	(iii)	39,997	-
- in December 2038	(iv)	8,500	8,500
Total		69,995	69,992

39 Debt securities issued (continued)

Notes:

(i) The Bank issued fixed-rate subordinated bonds on 14 August 2020 with a coupon rate of 3.87% per annum. The Bank redeemed the bonds on 14 August 2025.

(ii) The Bank issued fixed-rate subordinated bonds on 19 December 2023 with a coupon rate of 3.19% per annum. The Bank has the option to redeem the bonds on 19 December 2028. If the Bank does not exercise this option, the coupon rate will remain 3.19% per annum for the next five years.

(iii) The Bank issued fixed-rate subordinated bonds on 19 May 2025 with a coupon rate of 1.99% per annum. The Bank has the option to redeem the bonds on 19 May 2030. If the Bank does not exercise this option, the coupon rate will remain 1.99% per annum for the next five years.

(iv) The Bank issued fixed-rate subordinated bonds on 19 December 2023 with a coupon rate of 3.25% per annum. The Bank has the option to redeem the bonds on 19 December 2033. If the Bank does not exercise this option, the coupon rate will remain 3.25% per annum for the next five years.

(c) The carrying value of CNCBI's subordinated bonds issued:

	Notes	*31 December 2025*	*31 December 2024*
Subordinated fixed rate notes maturing:			
- in December 2033	(i)	3,479	3,628
Total		3,479	3,628

Note:

(i) CNCBI issued USD 500 million subordinated notes at a coupon rate of 6.00% per annum on 5 December 2023. CNCBI has an option to redeem these notes on each coupon payment date on and after 5 December 2028. If CNCBI does not exercise the redemption option, the coupon rate per annum will be the 5-year US treasury bond rate on 5 December 2028, plus 1.65%. The notes are listed on the Hong Kong Stock Exchange.

39 Debt securities issued (continued)

(d) As at 31 December 2025, the Bank's outstanding large transferable certificates of interbank deposits amounted to RMB932,810 million (31 December 2024: RMB930,759 million), with reference yields ranging from 1.54% to 2.04% per annum (31 December 2024: 1.55% to 2.46%). Their original expiry terms range from one month to one year.

(e) As approved by the relevant regulatory authorities in China, the Bank made a public offering of RMB40 billion A-shares convertible corporate bonds on 4 March 2019. The convertible corporate bonds have a term of six years from 4 March 2019 to 3 March 2025, at coupon rates of 0.3% for the first year, 0.8% for the second year, 1.5% for the third year, 2.3% for the fourth year, 3.2% for the fifth year and 4.0% for the sixth year. The conversion of these convertible corporate bonds begins on the first trading day (11 September 2019) after six months upon the completion date of the offering, until the maturity date (3 March 2025).

In accordance with formulas set out in the prospectus of the convertible corporate bonds, the initial conversion price of the convertible corporate bonds is RMB7.45 per share, and the price of the convertible corporate bonds will be adjusted to reflect the dilutive impact of cash dividends and increase in paid-in capital under specified circumstances. On 11 December 2024, the conversion price of the convertible corporate bonds has been adjusted to RMB5.59 per share. During the conversion period (from 4 March 2019 to 3 March 2025), if the closing price of the Bank's A shares is lower than 80% of the current conversion price for at least 15 trading days in any 30 consecutive trading days, the Board of Directors of the Bank has the right to propose to lower the conversion price and submit the proposal to the shareholders' meeting for deliberation.

These convertible corporate bonds are subject to conditional redemptions. During their conversion period, if the closing prices of the Bank's A-shares are no less than 130% (inclusive) of the current conversion price for at least 15 trading days in 30 consecutive trading days, the Bank has the right to redeem all or part of the outstanding convertible corporate bonds at their par value plus the current accrued interest, upon approval of the relevant regulatory authorities (if required). In addition, when the total amount of the outstanding convertible corporate bonds is less than RMB30 million, the Bank has the right to redeem all outstanding convertible corporate bonds at their par value plus the current accrued interest.

39 Debt securities issued (continued)

Since 4 March 2025, these convertible bonds have been delisted on the Shanghai Stock Exchange. As at 31 December 2025, convertible corporate bonds of RMB39,943 million were converted to 6,710,365,691 A shares.

	Liability	*Equity*	*Total*
Issued nominal value of convertible corporate bonds	36,859	3,141	40,000
Direct issuance expenses	(74)	(6)	(80)
Balance at the issuance date	36,785	3,135	39,920
Accumulated amortisation as at 1 January 2025	3,215	-	3,215
Accumulated conversion amount as at 1 January 2025	(32,966)	(2,584)	(35,550)
Balance as at 1 January 2025	7,034	551	7,585
Amortisation during this year	(6,977)	(551)	(7,528)
Conversion amount during this year	(57)	-	(57)
Balance as at 31 December 2025	-	-	-

40 Provisions

	31 December 2025	*31 December 2024*
Allowance for impairment losses on off balance sheet items	9,893	9,721
Litigation provisions	325	269
Total	10,218	9,990

The movement of off-balance sheet allowance for impairment losses is included in the Note 32.

Movement of provisions:

	Year ended 31 December 2025	*Year ended 31 December 2024*
As at 1 January	269	326
Charge / (Reversal)	56	(19)
Payment	-	(38)
As at 31 December	325	269

41 Other liabilities

	31 December 2025	*31 December 2024*
Settlement and clearing accounts	35,916	11,711
Continuing involvement liabilities	10,614	11,582
Other payables	6,915	5,628
Advances and deferred expenses	3,679	3,823
Dividends payables	-	2,523
Payment and collection accounts	3,270	2,409
Leasing deposits	1,627	814
Accrued expenses	232	279
Others	10,708	7,309
Total	72,961	46,078

42 Share capital

	Number of shares and Nominal Value (millions)	
	31 December 2025	*31 December 2024*
Ordinary shares		
Registered, issued and fully paid :		
A-Share	40,763	39,515
H-Share	14,882	14,882
Total	55,645	54,397

	Note	*Year ended 31 December 2025*	*Year ended 31 December 2024*
As at 1 January		54,397	48,967
Convertible bond settlement	(i)	1,248	5,430
As at 31 December		55,645	54,397

Note:

(i) For the year ended 31 December 2025, convertible corporate bonds of RMB6,977,169,000 were converted to 1,248,148,483 A-shares (In 2024, convertible corporate bonds of RMB32,759,741,000 were converted to 5,430,147,827 A-shares).

43 Other equity instruments

	31 December 2025	*31 December 2024*
Preference shares (Note (i))	34,955	34,955
Perpetual bonds (Note (ii))	69,993	69,993
Equity of convertible corporate bonds (Note 39(e))	-	551
Total	104,948	105,499

(i) Preference shares

Financial instruments in issue	*Dividend rate*	*Issued price (RMB)*	*Issued number of shares (RMB millions)*	*Issued nominal value (RMB millions)*	*Maturity date*	*Conversions*
Preference shares	3.80% per annum for the first five years after issuance, and re-priced every five years	100	350	35,000	No maturity date	No conversion during the year

35,000 million preference shares of RMB100 each were issued in October 2016, with a dividend rate of 3.80% per annum from issuance, to no more than 200 qualified investors, pursuant to the approval by its ordinary shareholders' meeting and relevant regulatory authorities.

The carrying amount of preference shares, net of direct issuance expenses, was RMB34,955 million. All the proceeds received is used to replenish Other Tier-One capital in order to increase the Bank's Tier-One capital adequacy ratio (Note 56). Dividends are non-cumulative and where payable are paid annually. Dividend rate will be re-priced every five years thereafter with reference to the five-year PRC treasury bonds yield plus a fixed premium of 1.30%. During the second dividend period beginning from 26 October 2021, the base rate and fixed premium is 2.78% and 1.30%, respectively, and the coupon rate is 4.08%.

As authorised by the ordinary shareholders' Annual General Meeting, the Board of Directors has the sole discretion to declare and distribute dividends on preference shares. The Bank shall not distribute any dividends to its ordinary shareholders before it declares such dividends to preference shareholders for the relevant period. The distribution of preference shares dividend is at the Bank's discretion and is non-cumulative. Preference shareholders are not entitled to participate in the distribution of retained profits except for the dividends stated above.

The Bank has redemption option when specified conditions as stipulated in the offering documents of preference shares are met, subject to regulatory approval, whereas preference shareholders have no right to require the Bank to redeem the preference shares.

43 Other equity instruments (continued)

Upon occurrence of the triggering events as stipulated in the offering documents and subject to regulatory approval, preference shares shall be mandatorily converted into ordinary A shares of the Bank at the conversion price of RMB7.07 per share, partially or entirely. The conversion price of the preference shares will be adjusted where certain events occur including bonus issues, rights issue, capitalisation of reserves and new issuances of ordinary shares below market price, subject to terms and formulae provided for in the offering documents, to maintain the relative interests between preference shareholders and ordinary shareholders.

These preference shares are classified as equity instruments and presented as equity in the consolidated statement of financial position; and are qualified as Tier-One capital Instruments in accordance with the NFRA requirements.

(ii) Perpetual bonds

On 26 April 2021, the Bank issued RMB40 billion write-down undated capital bonds (the "Bonds") in the domestic interbank bond market. The denomination of these Bonds is RMB100 each, and the annual coupon rate of the Bonds for the first 5 years is 4.20%, resetting every 5 years.

On 26 April 2024, the Bank issued RMB30 billion write-down undated capital bonds (the "Bonds") in the domestic interbank bond market. The denomination of these Bonds is RMB100 each, and the annual coupon rate of the Bonds for the first 5 years is 2.42%, resetting every 5 years.

The duration of these Bonds is the same as the continuing operation of the Bank. Subject to the satisfaction of the redemption conditions and having obtained the prior approval of the NFRA, the Bank may redeem the Bonds in whole or in part on each distribution payment date 5 years after the issuance date of the Bonds. Upon the occurrence of a trigger event for write-downs, with the consent of the NFRA and without the consent of the bondholders, the Bank has the right to write down all or part of the above Bonds issued and existing at that time in accordance with the total par value. The claims of the holders of the Bonds will be subordinated to the claims of depositors, general creditors and subordinated creditors that are ranked higher than the bonds; and shall rank in priority to the claims of shareholders and will rank pari passu with the claims under any other additional tier 1 capital instruments of the Bank that rank pari passu with the Bonds.

43 Other equity instruments (continued)

The Bonds are paid by non-cumulative interest. The Bank shall have the right to cancel distributions on the Bonds in whole or in part and such cancellation shall not constitute a default. The Bank may at its discretion utilize the proceeds from the cancelled distribution to meet other obligations of maturing debts. But the Bank shall not distribute profits to ordinary shareholders until the resumption of full interest payment.

These perpetual bonds are classified as equity instruments, and presented as equity in the consolidated statement of financial position; and are qualified as Additional Tier-One Capital Instruments in accordance with the NFRA requirements.

Interests attributable to equity instruments' holder:

	31 December 2025	*31 December 2024*
Total equity attributable to equity holders of the Bank	828,813	789,264
Equity attributable to ordinary equity holders of the Bank	723,865	683,765
Equity attributable to other equity instruments holders of the Bank	104,948	105,499
- Dividend distribution for the year	3,834	4,788
Total equity attributable to non-controlling interests	18,817	18,101
Equity attribute to non-controlling interests of ordinary shares	11,127	10,411
Equity attributable to non-controlling interests of other equity instruments	7,690	7,690

During the year ended 31 December 2025, RMB1,428 million was paid to the preference shareholders (2024: RMB1,428 million), RMB2,406 million was paid to to holders of perpetual bonds (2024: RMB3,360 million).

44 Capital reserves

	31 December 2025	*31 December 2024*
Share premium	95,249	88,969
Other reserves	317	317
Total	95,566	89,286

45 Other comprehensive income

Other comprehensive income comprises items that will not be reclassified subsequently to profit or loss, such as net changes on the measurement of defined benefit plans (Note 37) and fair value changes on financial investments designated at fair value through other comprehensive income, and items that may be reclassified subsequently to profit or loss, such as fair value changes on financial assets at fair value through other comprehensive income, credit impairment allowance on financial assets at fair value through other comprehensive income and exchange differences on translation.

46 Surplus reserve

	Year ended 31 December 2025	*Year ended 31 December 2024*
As at 1 January	67,629	60,992
Appropriations	6,470	6,637
As at 31 December	74,099	67,629

Under the relevant PRC Laws, the Bank and the Bank's subsidiaries in Mainland China are required to appropriate 10% of its profit for the year, as determined under regulations issued by the regulatory bodies of the PRC, to the statutory surplus reserve until the reserve balance reaches 50% of the registered capital. After making the appropriation to the statutory surplus reserve, the Bank may also appropriate its profit for the year to the discretionary surplus reserve upon approval by ordinary shareholders at the Annual General Meeting. The Bank makes its appropriation on an annual basis.

Subject to the approval of ordinary shareholders, statutory surplus reserves may be used for replenishing accumulated losses, if any, and may be converted into share capital, provided that the balance of statutory surplus reserve after such capitalisation is not less than 25% of the registered capital before the process.

47 General reserve

	Year ended 31 December 2025	*Year ended 31 December 2024*
As at 1 January	111,723	105,127
Appropriations	8,591	6,596
As at 31 December	120,314	111,723

Pursuant to relevant Ministry of Finance ("MOF") notices, the Bank and the Group's banking subsidiaries in Mainland China are required to set aside a general reserve to cover potential losses against their assets. The Bank and the Group make its appropriation on an annual basis.

CITIC Wealth shall draw operational risk reserves on a monthly basis according to the Administrative Measures for Financial Subsidiaries of Commercial Banks. CNCBI Macau shall draw down its regulatory reserves on a monthly basis according to the requirements of the Monetary Authority of Macau, China CITIC Bank International shall draw operational risk reserves according to the requirements of the Administrative Measures for Financial Subsidiaries of General reserve. As at 31 December 2025, a total of RMB3,833 million of corresponding risk provisions was drawn(31 December 2024: RMB3,455 million).

48 Profit appropriations and retained earnings

(a) Profit appropriations and distributions other than dividends declared during the year

	Note	*Year ended 31 December 2025*	*Year ended 31 December 2024*
Appropriations to			
- surplus reserve	46	6,470	6,637
- general reserve	47	8,591	6,596
Total		15,061	13,233

(b) In accordance with the resolution approved in the Annual General Meeting of the Bank on 20 June 2025, a total amount of approximately RMB9,582 million (RMB1.722 per 10 shares) were distributed in the form of cash dividend to the ordinary shareholders. In acoordance with the resolution approved in the Third Extraordinary Shareholder's Meeting of the Bank on 30 October 2025, a total amount of approximately RMB10,461 million(RMB1.88 per 10 shares) were distributed in the form of cash dividend to the ordinary shareholders.

48 Profit appropriations and retained earnings (continued)

(c) On 20 March 2026, the Board of Directors proposed a cash dividend of RMB1.93 per 10 shares in respect of the year 2025. Subject to the approval of the ordinary shareholders at the Annual General Meeting, approximately RMB10,740 million will be payable to those on the register of ordinary shareholders as at the relevant record date. This proposal is a non-adjusting event after the reporting period and has not been recognized as liability as at 31 December 2025.

(d) On 26 April 2021, the Bank issued RMB40 billion write-down undated capital bonds in the domestic interbank bond market. The Bank paid RMB1,680 million in interest at a coupon rate of 4.20% to investors of perpetual bonds on 26 April 2025.

On 26 April 2024, the Bank issued RMB30 billion write-down undated capital bonds in the domestic interbank bond market. The Bank paid RMB726 million in interest at a coupon rate of 2.42% to investors of perpetual bonds on 26 April 2025.

(e) In accordance with the resolution approved in the Board of Directors Meeting of the Bank on 27 August 2025, a total amount of approximately RMB1,428million (calculated by the Bank using the agreed dividend rate of 4.08% with RMB4.08 per share) were distributed in the form of cash dividend to the preference shareholders on 27 October 2025.

(f) As at 31 December 2025, the retained earnings included the statutory surplus reserves of certain subsidiaries of RMB1,943 million (2024: RMB1,517 million). The surplus reserves appropriated by subsidiaries and attributable to the Bank are RMB426 million (2024: RMB350 million). Such statutory surplus reserves cannot be distributed.

49 Non-controlling interests

As at 31 December 2025, non-controlling interests included ordinary shares held by non-controlling interest in subsidiaries and other equity instrument holders' interests. Other equity instrument holders' interest amounted to RMB7,690 million (31 December 2024: RMB7,690 million) representing other equity instruments issued by CNCBI on 29 July 2021 and 22 April 2022, an entity ultimately controlled by the Group. Such instruments are perpetual non-cumulative additional Tier-One capital securities (the "Capital Securities").

Financial instruments in issue	*Issue Date*	*Nominal Value*	*First Call Date*	*Coupon Rate*	*Payment Frequency*
Capital Securities	29 July 2021	USD600 million	29 July 2026	3.25% per annum for the first five years after issuance, and re-priced every five years to a rate equivalent to the five-year US Treasury rate plus 2.53% per annum	Semi-annually
Capital Securities	22 April 2022	USD600 million	22 April 2027	4.80% per annum for the first five years after issuance, and re-priced every five years to a rate equivalent to the five-year US Treasury rate plus 2.104% per annum	Semi-annually

CNCBI may, at its sole discretion, elect to cancel any payment of coupon, in whole or in part, or redeem Capital Securities. These Capital Securities listed above are classified as other equity instruments.

A distribution of RMB346 million was paid to the holders of the Capital Securities mentioned above during the year ended ended 31 December 2025 (During the year ended 31 December 2024: RMB348 million).

50 Notes to consolidated statement of cash flows

Cash and cash equivalents

	31 December 2025	*31 December 2024*
Cash	4,483	4,737
Cash equivalents		
- Surplus deposit reserve funds	75,775	6,803
- Deposits with banks and non-bank financial institutions due within three months when acquired	124,286	93,287
- Placements with and loans to banks and non-bank financial institutions due within three months when acquired	58,412	99,734
- Investment securities due within three months when acquired	69,456	58,218
Subtotal	327,929	258,042
Total	332,412	262,779

51 Commitments and contingent liabilities

(a) Credit commitments

The Group's credit commitments take the form of loan commitments, credit card commitments, financial guarantees, letters of credit and acceptances.

Loan commitments and credit card commitments represent the undrawn amount of approved loans with signed contracts and credit card limits. Financial guarantees and letters of credit represent guarantees provided by the Group to guarantee the performance of customers to third parties. Bank acceptances comprise undertakings by the Group to pay bills of exchange drawn on customers. The Group expects the majority acceptances to be settled simultaneously with the reimbursement from the customers.

51 Commitments and contingent liabilities (continued)

The contractual amounts of credit commitments by categories are set out below. The amounts disclosed in respect of loan commitments and credit card commitments assume that amounts are fully drawn down. The amounts of guarantees, letters of credit and acceptances represent the maximum potential loss that would be recognized at the reporting date if counterparties failed to perform as contracted.

	31 December 2025	*31 December 2024*
Contractual amount		
Loan commitments		
- with an original maturity within one year	5,064	16,885
- with an original maturity of one year or above	58,422	37,179
Subtotal	63,486	54,064
Bank acceptances	833,848	854,489
Credit card commitments	792,650	812,562
Letters of guarantee issued	251,992	273,578
Letters of credit issued	367,804	324,861
Total	2,309,780	2,319,554

(b) Credit commitments analysed by credit risk weighted amount

	31 December 2025	*31 December 2024*
Credit risk weighted amount of credit commitments	684,030	679,525

The credit risk weighted amount refers to the amount as computed in accordance with the rules set out by the NFRA and depends on the status of counterparties and the maturity characteristics. The risk weighting used range from 0% to 150%.

(c) Capital commitments

(i) The Group had the following authorised capital commitments at the reporting date:

	31 December 2025	*31 December 2024*
For the purchase of property and equipment		
- contracted for	997	1,055

51 Commitments and contingent liabilities (continued)

(d) Outstanding contingencies including litigation and disputes

The Group has assessed and has made provisions for any probable outflow of economic benefits in relation to commitments and contingent liabilities at the reporting date in accordance with its accounting policies including litigation and disputes.

As at 31 December 2025, the Group was involved in certain pending litigation as defendant with gross claims of RMB1,588 million (as at 31 December 2024: RMB1,326 million) and provision has been fully accrued. Such contingencies, including litigation and disputes, are not expected to have material impact on the financial position and operations of the Bank (Note 40).

(e) PRC treasury bonds redemption obligations

As an underwriting agent of PRC treasury bonds, the Group has the responsibility to buy back those bonds sold by it should the holders decide to early redeem the bonds held. The redemption price for the bonds at any time before their maturity dates is based on the nominal value plus any interest unpaid and accrued up to the redemption date. Accrued interest payables to the bond holders are calculated in accordance with relevant rules of the MOF and the PBOC. The redemption price may be different from the fair value of similar instruments traded at the redemption date.

The redemption obligations below represent the nominal value of treasury bonds underwritten and sold by the Group, but not yet matured at the reporting date:

	31 December 2025	*31 December 2024*
Redemption commitment for PRC treasury bonds	2,904	2,615

The original maturities of these bonds vary from one to five years. Management of the Group expects the amount of redemption before maturity dates of these bonds will not be material. The MOF will not provide funding for the early redemption of these bonds on a back-to-back basis, but will settle the principal and interest upon maturity.

(f) Underwriting obligations

As at 31 December 2025 and 2024, the Group did not have unfulfilled commitment in respect of securities underwriting business.

52 Collateral

(a) Assets pledged

(i) The carrying amount of financial assets pledged as collateral in the Group's ordinary course of businesses, including repurchase agreements and borrowings from central banks, are disclosed as below:

	31 December 2025	*31 December 2024*
Debt securities	631,813	256,705
Discounted bills	2,525	76,894
Total	634,338	333,599

As at 31 December 2025 and 2024, the Group's liabilities related to the above collateral were due within 12 months from the effective dates of these agreements and title of these collateral was not transferred to counterparties.

(ii) In addition, as at 31 December 2025, the Group pledged deposits with banks and other financial institutions with carrying amount totalling RMB1,198 million (31 December 2024: RMB1,542 million) as collateral for derivative transactions and guarantee funds to exchanges. Title of these pledged assets was not transferred to counterparties.

(b) Collateral accepted

The Group received debt securities and bills as collateral for financial assets held under resale agreements as set out in Note 20. Under the terms of these agreements, the Group could not resell or re-pledge certain parts of these collateral unless in the event of default by the counterparties. As at 31 December 2025, the Group held no collateral that can be resold or re-pledged (31 December 2024: Nil). During the year ended 31 December 2025, the Group did not resell or re-pledge any of these collateral (year ended 31 December 2024: Nil).

53 Transactions on behalf of customers

(a) Entrusted lending business

The Group provides entrusted lending business services to corporations and individuals, as well as entrusted provident housing fund mortgage business services. All entrusted loans are made under the instruction or at the direction of these corporations, individuals or provident housing fund centre and are funded by entrusted funds from them.

For entrusted assets and liabilities and entrusted provident housing fund mortgage business, the Group does not expose to credit risk in relation to these transactions, but acts as an agent to hold and manage these assets and liabilities at the instruction of the entrusting parties and receives fee income for the services provided.

Entrusted assets are not assets of the Group and are not recognized on the consolidated statement of financial position. Income received and receivable for providing these services is included in the consolidated statement of profit or loss as fee income.

At the reporting date, the entrusted assets and liabilities were as follows:

	31 December 2025	*31 December 2024*
Entrusted loans	418,963	449,034
Entrusted funds	418,963	449,035

(b) Wealth management services

The Group's wealth management primarily refers to non-principal guaranteed wealth management products sold to enterprises or individuals (Note 59(c)).

The funds raised by non-principal guaranteed wealth management products from investors are invested in various investments, including debt securities and money market instruments, credit assets and debt financing instruments, equity instruments etc. Credit risk, liquidity risk and interest rate risk associated with these products are borne by the customers. The Group only earns commission which represents the charges on customers in relation to the provision of custodian, sale and management services. Income is recognized in the consolidated statement of profit or loss as commission income. The Group has entered into placements transactions at market interest rates with the wealth management products vehicles (Note 59 (c)).

As at 31 December 2025, the total investment of non-principal guaranteed wealth management products managed by the Group that was not included in the Group’s consolidated financial statements was disclosed in Note 59(c).

54 Segment reporting

Measurement of segment assets and liabilities, and segment income and expenses are based on the Group's accounting policies.

Internal charges and transfer pricing of transactions between segments are determined for management purpose and have been reflected in the performance of each segment. Net interest income and expenses arising from internal charges and transfer pricing adjustments are referred to as "Internal net interest income/expenses". Interest income and expenses earned from third parties are referred to as "External net interest income/expenses".

Segment income, expense, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment assets and liabilities do not include deferred tax assets and liabilities. Segment income, expenses, assets, and liabilities are determined before intra-group balances, and intra-group transactions are eliminated as part of the consolidation process. Segment capital expenditure is the total costs incurred during the year to acquire assets (including both tangible assets and intangible assets) whose estimated useful lives are over one year.

(a) Business segments

The Group has the following main business segments for management purpose:

Corporate banking

This segment represents the provision of a range of financial products and services to corporations, government agencies and non-financial institutions. The products and services include corporate loans, deposit taking activities, agency services, remittance and settlement services and guarantee services.

Personal banking

This segment represents the provision of a range of financial products and services to individual customers. The products and services comprise loans, deposit services, securities agency services, remittance and settlement services and guarantee services.

Treasury business

This segment conducts capital markets operations, inter-bank operations, which, specifically, includes inter-bank money market transactions, repurchase transactions, and investments and trading in debt instruments. Furthermore, treasury business segment also carries out derivatives and forex trading both for the Group and for customers.

Others and unallocated

Others comprise components of the Group that are not attributable to any of the above segments, along with certain assets, liabilities, income or expenses of the Head Office that could not be allocated on a reasonable basis. This segment also manages the Group's liquidity position.

54 Segment reporting (continued)

	Year ended 31 December 2025				
	Corporate Banking	*Personal Banking*	*Treasury Business*	*Others and Unallocated*	*Total*
External net interest income/(expense)	57,690	66,187	27,401	(6,809)	144,469
Internal net interest income/(expense)	25,398	(6,280)	(24,687)	5,569	-
Net interest income	83,088	59,907	2,714	(1,240)	144,469
Net fee and commission income	11,600	18,925	2,211	36	32,772
Other net income (Note (i))	4,150	549	29,178	1,518	35,395
Operating income	98,838	79,381	34,103	314	212,636
Operating expenses					
- depreciation and amortisation	(2,372)	(1,790)	(2,610)	(880)	(7,652)
- others	(28,109)	(29,648)	(3,281)	(2,190)	(63,228)
Credit impairment losses	(13,892)	(42,633)	(1,198)	(216)	(57,939)
Impairment losses on other assets	(141)	(7)	(85)	-	(233)
Revaluation loss on investment properties	-	-	-	(86)	(86)
Share of profits of associates and joint ventures	-	-	9	536	545
Profit/(Loss) before tax	54,324	5,303	26,938	(2,522)	84,043
Income tax					(12,553)
Profit for the year					71,490
Capital expenditure	35,713	546	822	403	37,484

	31 December 2025				
	Corporate Banking	*Personal Banking*	*Treasury Business*	*Others and Unallocated*	*Total*
Segment assets	3,440,692	2,341,398	3,664,314	621,167	10,067,571
Interest in associates and joint ventures	-	-	-	8,787	8,787
Deferred tax assets					54,670
Total asset					10,131,028
Segment liabilities	4,343,100	1,896,862	1,135,341	1,907,967	9,283,270
Deferred tax liabilities					128
Total liabilities					9,283,398
Off-balance sheet credit commitments	1,516,391	793,389	-	-	2,309,780

54 Segment reporting (continued)

	Year ended 31 December 2024				
	Corporate Banking	*Personal Banking*	*Treasury Business*	*Others and Unallocated*	*Total*
External net interest income/(expense)	53,949	80,553	40,181	(28,004)	146,679
Internal net interest income/(expense)	26,601	(16,526)	(40,916)	30,841	-
Net interest income	80,550	64,027	(735)	2,837	146,679
Net fee and commission income/(expense)	11,429	19,929	(353)	35	31,040
Other net income (Note (i))	3,266	1,734	33,061	(2,557)	35,504
Operating income	95,245	85,690	31,973	315	213,223
Operating expenses					
- depreciation and amortisation	(2,422)	(2,048)	(2,931)	(910)	(8,311)
- others	(26,864)	(32,241)	(2,839)	(1,683)	(63,627)
Credit impairment losses	(16,078)	(42,155)	(2,416)	(396)	(61,045)
Impairment losses on other assets	(52)	(16)	-	-	(68)
Revaluation loss on investment properties	-	-	-	(24)	(24)
Share of profits of associates and joint ventures	-	-	-	715	715
Profit/(Loss) before tax	49,829	9,230	23,787	(1,983)	80,863
Income tax					(11,395)
Profit for the year					69,468
Capital expenditure	1,819	1,489	2,182	796	6,286

	31 December 2024				
	Corporate Banking	*Personal Banking*	*Treasury Business*	*Others and Unallocated*	*Total*
Segment assets	3,016,097	2,342,470	3,554,046	558,630	9,471,243
Interest in associates and joint ventures	-	-	-	7,349	7,349
Deferred tax assets					54,130
Total asset					9,532,722
Segment liabilities	4,167,546	1,764,899	1,198,792	1,594,081	8,725,318
Deferred tax liabilities					39
Total liabilities					8,725,357
Off-balance sheet credit commitments	1,505,475	814,079	-	-	2,319,554

Note:

(i) Other net income consists of net trading gain, net gain from investment securities, net hedging gain and other operating income.

54 Segment reporting (continued)

(b) Geographical segments

The Group operates principally in Mainland China with branches located in 31 provinces, autonomous regions and municipalities. The Bank's principal subsidiaries, CNCB Investment and CIFH are registered and operating in Hong Kong. The other subsidiaries, Lin'an Rural Bank, CITIC Wealth, CFLL and CITIC Financial Investment are registered and operating in Mainland China.

In presenting information by geographical segments, operating income is allocated based on the location of the branches that generated the revenue. Segment assets and capital expenditure are allocated based on the geographical location of the underlying assets.

Geographical segments, as defined for management reporting purposes, are as follows:

- "Yangtze River Delta" refers to the following areas where Tier-One branches of the Group are located: Shanghai, Nanjing, Suzhou, Hangzhou and Ningbo, as well as Lin'an Rural Bank and CITIC Wealth;

- "Pearl River Delta and West Strait" refers to the following areas where Tier-One branches of the Group are located: Guangzhou, Shenzhen, Fuzhou, Xiamen, and Haikou, as well as CITIC Financial Investment;

- "Bohai Rim" refers to the following areas where Tier-One branches of the Group are located: Beijing, Tianjin, Dalian, Qingdao, Shijiazhuang, Jinan and CFLL;

- "Central" region refers to the following areas where Tier-One branches of the Group are located: Hefei, Zhengzhou, Wuhan, Changsha, Taiyuan and Nanchang;

- "Western" region refers to the following areas where Tier-One branches of the Group are located: Chengdu, Chongqing, Xi'an, Kunming, Nanning, Hohhot, Urumqi, Guiyang, Lanzhou, Xining, Yinchuan and Lhasa;

- "North-eastern" region refers to the following areas where Tier-One branches of the Group is located: Shenyang, Changchun and Harbin;

- "Head Office" refers to the headquarters of the Bank and the Credit Card Center; and

- "Overseas" includes all the operations of London branch, Hong Kong branch, CNCB Investment, CIFH and its subsidiaries.

54 Segment reporting (continued)

	Year ended 31 December 2025									
	Yangtze River Delta	*Pearl River Delta and West Strait*	*Bohai Rim*	*Central*	*Western*	*Northeastern*	*Head Office*	*Overseas*	*Elimination*	*Total*
External net interest income	39,261	11,226	7,305	16,782	15,686	606	45,937	7,666	-	144,469
Internal net interest (expense)/income	(5,612)	3,031	17,984	(2,220)	(4,002)	1,049	(10,267)	37	-	-
Net interest income	33,649	14,257	25,289	14,562	11,684	1,655	35,670	7,703	-	144,469
Net fee and commission income	5,814	1,600	2,770	1,413	867	98	17,939	2,271	-	32,772
Other net income (Note (i))	1,463	613	3,489	547	438	88	27,259	1,498	-	35,395
Operating income	40,926	16,470	31,548	16,522	12,989	1,841	80,868	11,472	-	212,636
Operating expense										
- depreciation and amortisation	(1,044)	(764)	(896)	(643)	(670)	(166)	(2,909)	(560)	-	(7,652)
- others	(10,705)	(5,301)	(9,481)	(5,686)	(5,314)	(1,174)	(20,912)	(4,655)	-	(63,228)
Credit impairment losses	(14,152)	(8,965)	(5,641)	(8,231)	(2,935)	(526)	(14,864)	(2,625)	-	(57,939)
Impairment losses on other assets	(25)	(6)	(6)	(16)	(89)	-	-	(91)	-	(233)
Revaluation loss on investment properties	-	-	-	-	-	-	-	(86)	-	(86)
Share of gains of associates and joint ventures	-	-	-	-	-	-	576	(31)	-	545
Profit/(Loss) before tax	15,000	1,434	15,524	1,946	3,981	(25)	42,759	3,424	-	84,043
Income tax										(12,553)
Profit for the year										71,490
Capital expenditure	272	161	35,238	174	152	26	1,110	351	-	37,484

54 Segment reporting (continued)

	31 December 2025									
	Yangtze River Delta	*Pearl River Delta and West Strait*	*Bohai Rim*	*Central*	*Western*	*Northeastern*	*Head Office*	*Overseas*	*Elimination*	*Total*
Segment assets	2,211,466	1,134,174	2,161,594	901,305	795,978	141,031	3,810,953	563,102	(1,652,032)	10,067,571
Interest in associates and joint ventures	-	-	-	-	-	-	7,431	1,356	-	8,787
Deferred tax assets										54,670
Total assets										10,131,028
Segment liabilities	2,193,060	1,114,376	1,957,549	906,649	784,501	142,496	3,342,992	493,679	(1,652,032)	9,283,270
Deferred tax liabilities										128
Total liabilities										9,283,398
Off-balance sheet credit commitments	423,761	280,705	267,667	299,521	193,540	24,017	784,682	35,887	-	2,309,780

54 Segment reporting (continued)

	Year ended 31 December 2024									
	Yangtze River Delta	*Pearl River Delta and West Strait*	*Bohai Rim*	*Central*	*Western*	*Northeastern*	*Head Office*	*Overseas*	*Elimination*	*Total*
External net interest income	35,402	12,163	3,191	18,960	16,301	762	53,350	6,550	-	146,679
Internal net interest (expense)/income	(4,493)	1,808	20,598	(4,302)	(5,434)	783	(8,977)	17	-	-
Net interest income	30,909	13,971	23,789	14,658	10,867	1,545	44,373	6,567	-	146,679
Net fee and commission income	5,599	1,517	2,402	1,261	782	103	17,690	1,686	-	31,040
Other net income (Note (i))	1,707	737	1,592	734	587	69	28,232	1,846	-	35,504
Operating income	38,215	16,225	27,783	16,653	12,236	1,717	90,295	10,099	-	213,223
Operating expense										
- depreciation and amortisation	(1,069)	(796)	(905)	(666)	(696)	(184)	(3,427)	(568)	-	(8,311)
- others	(11,199)	(6,077)	(8,852)	(6,341)	(5,703)	(1,274)	(20,629)	(3,552)	-	(63,627)
Credit impairment losses	(8,679)	(8,802)	(8,179)	(5,007)	(4,338)	(42)	(22,793)	(3,205)	-	(61,045)
Impairment losses on other assets	-	(11)	(5)	(10)	(22)	(4)	-	(16)	-	(68)
Revaluation loss on investment properties	-	-	-	-	-	-	-	(24)	-	(24)
Share of gains of associates and joint ventures	-	-	-	-	-	-	744	(29)	-	715
Profit before tax	17,268	539	9,842	4,629	1,477	213	44,190	2,705	-	80,863
Income tax										(11,395)
Profit for the year										69,468
Capital expenditure	336	247	221	287	257	28	4,481	429	-	6,286

54 Segment reporting (continued)

	31 December 2024									
	Yangtze River Delta	*Pearl River Delta and West Strait*	*Bohai Rim*	*Central*	*Western*	*Northeastern*	*Head Office*	*Overseas*	*Elimination*	*Total*
Segment assets	2,080,747	1,080,806	2,010,887	900,004	750,011	132,623	3,544,471	520,058	(1,548,364)	9,471,243
Interest in associates and joint ventures	-	-	-	-	-	-	7,009	340	-	7,349
Deferred tax assets										54,130
Total assets										9,532,722
Segment liabilities	2,048,244	1,142,811	1,925,658	888,016	762,263	133,944	2,927,282	445,464	(1,548,364)	8,725,318
Deferred tax liabilities										39
Total liabilities										8,725,357
Off-balance sheet credit commitments	399,571	292,758	273,121	307,856	180,892	23,965	801,306	40,085	-	2,319,554

Note:

(i) Other net income consists of net trading gain, net gain from investment securities, net hedging gain and other operating income.

55 Financial risk management

This section presents information about the Group's exposure to and its management and control of risks, in particular the primary risks associated with its use of financial instruments:

- **Credit risk** Credit risk represents the potential loss that may arise from the failure of a customer or counterparty to meet its contractual obligations or commitments to the Group.

- **Market risk** Market risk arises from unfavorable changes in market prices (interest rate, exchange rate, stock price or commodity price) that lead to a loss of on-balance sheet or off-balance sheet business in the Group.

- **Liquidity risk** Liquidity risk arises when the Group, in meeting the demand of liabilities due and other payment obligations as well as the needs of business expansion, is unable to sufficiently, timely or cost-effectively acquire funds.

- **Operational risk** Operational risk arises from internal procedures, personnel, IT systems, or external events, such risk includes legal risk, but excluding strategic risk and reputational risk.

The Group adopts a combination of qualitative and quantitative methods to identify, measure, evaluate, monitor, report, control or mitigate various risks. The Group establishs risk management strategy, risk appetite, risk limits and various risk management policies and systems, monitors the implementation and conducts regular reinspections. To support risk reporting and management decision-making needs, the Group has implemented risk management information system that is compatible with comprehensive risk management. Internal auditors conduct audit supervision of the risk management system in accordance with relevant regulations and arrangements.

(a) Credit risk

Credit risk management

Credit risk refers to the risk of loss caused by default of debtor or counterparty. Credit risk also occurs when the Group makes unauthorized or inappropriate loans and advances to customers, financial commitments or investments. The credit risk exposures of the Group mainly arise from the Group's loans and advances to customers, bonds, interbank business,receivables, lease receivables, other debt investments, and other on-balance sheet assets, and also off-balance sheet items, such as credit commitments.

The Group has standardized management on the entire credit business process including loan application and its investigation, approval and granting of loan, and monitoring of non-performing loans. Through strictly standardized credit business process, strengthening the whole process management of pre-lending investigation, credit rating and credit granting, examination and approval, loan review and post-lending monitoring, improving risk mitigating impact of collateral, accelerating the collection and disposal of non-performing loans, and promoting the upgrading and transformation of credit management system, the credit risk management of the Group has been comprehensively improved.

55 Financial risk management (continued)

The Group writes off financial asset when it cannot reasonably expect to recover all or part of the asset. Signs indicating that the recoverable amount cannot be reasonably expected to recover include: (1) the enforcement has been terminated, and (2) the Group's recovery method is to confiscate and dispose of the collateral, but the expected value of the collateral cannot cover the entire principal and interest.

In addition to the credit risk caused by credit assets, the Group manages the credit risk for treasury businesses through prudently selecting peers and other financial institutions with comparable credit levels as counterparties, balancing credit risk with returns on investment, comprehensively considering internal and external credit rating information, granting credit hierarchy, and using credit management system to review and adjust credit commitments on a timely basis, etc. In addition, the Group provides off-balance sheet commitment and guarantee businesses to customers, so it is possible for the Group to make payment on behalf of the customer in case of customer's default and bear risks similar to the loan. Therefore, the Group applies similar risk control procedures and policies to such business to reduce the credit risk.

Measurement of expected credit losses ("ECL")

The Group adopts the "expected credit loss model" on its debt instruments which are classified as financial assets measured at amortised cost and at fair value through other comprehensive income and off-balance sheet credit assets in accordance with the provisions of IFRS 9.

For financial assets that are included in the measurement of expected credit losses, the Group evaluates whether the credit risks of related financial assets have increased significantly since the initial recognition. The impairment model is used to measure their allowances for impairment losses respectively to recognize expected credit losses and their movements:

Stage 1: Financial assets with no significant increase in credit risk since initial recognition will be classified as "Stage 1" and the Group continuously monitors their credit risk. The loss allowance of financial assets in Stage 1 is measured based on the expected credit losses in the next 12 months, which represent the proportion of the lifetime expected credit losses that may arise from possible default events in the next 12 months.

Stage 2: If there is a significant increase in credit risk from initial recognition but not has been credit-impaired, the Group transfers the related financial assets to Stage 2, but does not consider them as credit-impaired instruments. The expected credit losses of financial assets in Stage 2 are measured based on the lifetime expected credit losses.

Stage 3: If a financial asset has been credit-impaired, it will be moved to Stage 3. The expected credit losses of financial assets in Stage 3 are measured based on the lifetime expected credit losses.

55 Financial risk management (continued)

Purchased or originated credit-impaired financial assets refers to financial assets that are credit-impaired at initial recognition. Allowance for impairment losses on these assets are the lifetime expected credit losses.

The Group measures ECLs of financial assets through testing models including the risk parameters model and discounted cash flows model. The risk parameters model method is applicable to the financial assets in Stages 1 and 2. Both the risk parameter model and discounted cash flows model are applicable to the Stage 3 financial assets.

The discounted cash flow model is used to calculate the impairment allowance for an asset based on the regular forecasts of the future cash flows of the asset. At each measurement date, the Group makes forecasts of the future cash inflows of the asset in different periods and in different scenarios, applies probability weightings to obtain the weighted averages of the future cash flows, applies appropriate discount rates to the weighted averages and adds these discounted weighted averages to obtain the present value of the future cash inflows.

The risk parameter model has two main components: 1) the assessment methods under, the Internal Rating-Based (IRB) approach for key parameters, such as probability of default (PD) and loss given default (LGD); and 2) the forward-looking adjustment model for multi-scenario forecasts based on the key parameters. The expected credit losses of financial assets are assessed individually by measuring PDs, LGDs and forward-looking adjustments. The key judgments involved and assumptions adopted by the Group in assessing expected credit losses are as follows:

(1) Grouping of risks

According to the nature of the businesses, the Group mainly divides its financial assets into three major categories, i. e., corporate assets, individual loan assets and credit card assets according to the asset categories, and further divides them into risk groups in light of their credit risk characteristics, including the industries in which the customers operate and product type.

(2) Significant increase in credit risk

On each balance sheet date, the Group evaluates whether the credit risk of the relevant financial instruments has increased significantly since the initial recognition. When one or more quantitative or qualitative threshold, or pre-set upper limit are triggered, the credit risk of financial instruments would be considered as having increased significantly.

By setting quantitative and qualitative criteria, the Group determines whether the credit risk of financial instruments has increased significantly since initial recognition. The criteria mainly include days past due, the absolute level and relative level of default probability changes, changes in credit risk classification and other circumstances indicating significant changes in credit risk.

55 Financial risk management (continued)

(3) Definition of credit-impaired assets

When one or more events that significant adversely affect the expected future cash flow of a financial asset occurs, the financial asset becomes a credit-impaired financial asset. Evidence of credit-impaired financial assets includes the following observable information:

- The issuer or borrower is in significant financial difficulties;
- The borrower is in breach of financial covenant(s) such as default or overdue in repayment of interests or principal etc.;
- The creditor gives the debtor concession that would not be offered otherwise, considering for economic or contractual reasons relating to the debtor's financial difficulties;
- It is becoming probably that the borrower will enter bankruptcy or other financial restructuring;
- An active market for that financial asset has disappeared because of financial difficulties from issuer or borrower;
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

(4) Inputs for measurement of expected credit losses

The expected credit loss is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred or whether an asset is considered to be credit-impaired. Related definitions are as follows:

- The probability of default ("PD") represents the likelihood of a borrower defaulting on its financial obligations, either over the next 12 months or over the remaining lifetime of the obligation.
- Loss given default ("LGD") represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim, and collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default and is calculated on a 12-month or lifetime basis.
- Exposure at default ("EAD") is based on the amounts that the Group expects to be owned at the time of default, over the next 12 months or over the remaining lifetime of the obligation.

55 Financial risk management (continued)

The Group regularly monitors and reviews the assumptions related to the calculation of ECL, including the PDs for various maturities and the changes in the values of collateral over time.

The Group classifies exposures with similar risk characteristics into groups and collectively estimates their risk parameters, including PDs, LGDs, and EADs. During 2025, based on data accumulation, the Group optimized and updated the relevant models and parameters. The Group has obtained sufficient information to ensure its statistical reliability.The Group makes allowances for its expected credit losses based on on-going assessment of and follow-up on changes in its customers and their financial assets on an individual basis.

(5) Forward-looking information

The assessment of significant increases in credit risk and the calculation of expected credit losses both involve forward-looking information. Based on historical analysis , the Group has identified the key economic variables impacting expected credit losses for various risk groups.

These economic variables have different impacts on the probabilities of default and the losses given default of different risk groups. The Group makes, forecasts of these economic indicators at least semi-annually. In this process, the Group also resorts to expert judgment, and applies expert judgment to determine the impact of these economic variables on the probabilities of default and the losses given default.

In addition to the neutral economic scenario, the Group determines the possible scenarios and their weightings by a combination of statistical analysis and expert judgment. The Group measures expected credit losses as either a probability weighted 12 months expected credit losses (Stage 1) or a probability weight lifetime expected credit losses (Stage 2 and Stage 3). These probability-weighted expected credit losses are determined by running each scenario through the relevant expected credit losses model and multiplying it by the appropriate scenario weighting.

Macroeconomic scenario and weighting information

The Group has performed historical analysis and identified the key economic variables impacting credit risk and ECL for each portfolio. Based on comprehensive considerations of internal and external dataexpert forecasts, and the best estimate of future, outcomes, the Group makes regular forecasts of the macro indicators in three macro-economic scenarios, i.e., the positive, neutral, and negative scenarios, to determine the coefficients for forward-looking adjustments. Neutral is defined as the most likely to happen in the future, as compared to other scenarios. Positive scenario and negative scenario represent the likely scenario that is better off or worse off as compared to the neutral scenario.

The Group reassessed and updated the key economic indicators affecting ECLs and their estimates during the reporting period based on the latest historical data. The economic indicators currently applied in the neutral scenario, including gross demestic product, currency in circulation and per capita consumption expenditure of urban residents , etc., are basically consistent with the forecasts of research institutions.

55 Financial risk management (continued)

As at the end of 2025, considered different macroeconomic scenarios and the key macroeconomic scenario assumptions uesd in estimating ECL are set out below:

Variables	*Range*
Gross Demestic Product (constant price, year-on-year growth,quarterly)	5.31%-7.04%
Currency in Circulation (year-on-year growth,monthly)	9.18%-12.86%
Per capita Consumption Expenditure of Urban Residents (cumulative year-on-year growth)	1.48%-7.02%

Currently, the weighting of neutral scenario is equal to the sum of the weightings of other scenarios. Following this assessment, the Group measures ECL as a weighted average probability of ECL in the next 12-month under the three scenarios for Stage 1 financial instruments; and a weighted average probability of lifetime ECL for Stage 2 and 3 financial instruments.

Considering the portfolios that cannot be modeled by regression, such as those with extremely low default rate or without appropriate internal rating data, the Group mainly adopts the expected loss ratio of similar portfolios with established regression models, in order to expand the coverage of the existing ECL model.

(6) Sensitivity information and management overlay

Changes to the inputs and forward-looking information used in ECL measurement will affect the assessment of significant increase in credit risk and the measurement expected of credit losses.

As at 31 December 2025, assuming a 10% increase in the weighting of the positive scenario and a 10% decrease in the weighting of the neutral scenario, the Group's credit impairment losses would be reduced by no more than 5% of the current credit impairment losses; assuming a 10% increase in the weighting of the negative scenario and a 10% decrease in the weighting of the neutral scenario, the Group's credit impairment losses would increase by no more than 5% of the current credit impairment losses.

As at 31 December 2025, assuming an overall increase or decrease of 5% in the macroeconomic factors, the change to the impairment loss allowances for the main credit assets of the Group would not exceed 10% of the current impairment loss allowances.

55 Financial risk management (continued)

(i) Maximum credit risk exposure

The maximum exposure to credit risk at the reporting date without taking into consideration of any collateral held or other credit enhancement is represented by the net balance of each type of financial assets in the consolidated annual statement of financial position after deducting any allowance for impairment losses. A summary of the maximum exposure is as follows:

	31 December 2025				
	Stage 1	*Stage 2*	*Stage 3*	*Not applicable*	*Total*
Balances with central banks	382,433	-	-	-	382,433
Deposits with bank and non-bank financial institutions	141,197	-	-	-	141,197
Placements with and loans to banks and non-bank financial institutions	430,296	-	-	15,802	446,098
Derivative financial assets	-	-	-	41,026	41,026
Financial assets held under resale agreements	168,324	-	-	1,316	169,640
Loans and advances to customers	5,604,910	106,665	20,029	15,267	5,746,871
Financial investments					
- at fair value through profit or loss	-	-	-	678,778	678,778
- at amortised cost	1,285,842	8,799	18,259	-	1,312,900
- at fair value through other comprehensive income	926,661	47	205	-	926,913
- designated at fair value through other comprehensive income	-	-	-	8,234	8,234
Other financial assets	19,390	11,220	559	-	31,169
Subtotal	8,959,053	126,731	39,052	760,423	9,885,259
Credit commitments	2,307,792	1,903	85	-	2,309,780
Maximum credit risk exposure	11,266,845	128,634	39,137	760,423	12,195,039

55 Financial risk management (continued)

	31 December 2024				
	Stage 1	*Stage 2*	*Stage 3*	*Not applicable*	*Total*
Balances with central banks	336,178	-	-	-	336,178
Deposits with bank and non-bank financial institutions	128,193	-	-	-	128,193
Placements with and loans to banks and non-bank financial institutions	382,012	-	-	22,789	404,801
Derivative financial assets	-	-	-	85,929	85,929
Financial assets held under resale agreements	136,265	-	-	-	136,265
Loans and advances to customers	5,477,446	91,553	20,839	11,612	5,601,450
Financial investments					
- at fair value through profit or loss	-	-	-	647,398	647,398
- at amortised cost	1,087,862	9,165	21,962	-	1,118,989
- at fair value through other comprehensive income	849,251	-	530	-	849,781
- designated at fair value through other comprehensive income	-	-	-	4,702	4,702
Other financial assets	20,221	9,813	862	-	30,896
Subtotal	8,417,428	110,531	44,193	772,430	9,344,582
Credit commitments	2,318,250	1,209	95	-	2,319,554
Maximum credit risk exposure	10,735,678	111,740	44,288	772,430	11,664,136

The Group classifies credit risk grades of assets based on their asset quality and risk characteristics. Low Risk" refers to assets with sound asset quality, for which there are no sufficient reasons to suspect that events of failure to repay debts as contractually agreed or other breaches of debt agreements that would have a material impact on the normal repayment of debts will occur. "Medium Risk" refers to assets with factors that may have a relatively significant adverse impact on the normal repayment of debts, but no events that have a material impact on the normal repayment of debts have occurred. "High Risk" refers to assets where events of failure to repay debts as contractually agreed or other breaches of debt agreements that have a material impact on the normal repayment of debts have occurred.

55 Financial risk management (continued)

Loans and advances to customers

	31 December 2025			
	Stage 1	Stage 2	Stage 3	Total
Credit Rating	12 months expected credit losses	lifetime expected credit losses	lifetime expected credit losses	
Low risk	5,668,076	32,923	-	5,700,999
Medium risk	2	101,413	87	101,502
High risk	-	-	68,291	68,291
Gross balance	5,668,078	134,336	68,378	5,870,792
Allowance for impairment losses (Notes (i))	(63,168)	(27,671)	(48,349)	(139,188)
Total carrying amount of loans and advances to customers affected by credit risk	5,604,910	106,665	20,029	5,731,604

	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
Credit Rating	12 months expected credit losses	lifetime expected credit losses	lifetime expected credit losses	
Low risk	5,539,470	23,768	1,057	5,564,295
Medium risk	17	97,237	1,403	98,657
High risk	-	1	67,278	67,279
Gross balance	5,539,487	121,006	69,738	5,730,231
Allowance for impairment losses (Notes (i))	(62,041)	(29,453)	(48,899)	(140,393)
Total carrying amount of loans and advances to customers affected by credit risk	5,477,446	91,553	20,839	5,589,838

55 Financial risk management (continued)

Financial assets at amortised cost

	31 December 2025			
Credit Rating	Stage 1 12 months expected credit losses	Stage 2 lifetime expected credit losses	Stage 3 lifetime expected credit losses Note(ii)	Total
Low risk	1,287,700	1,687	-	1,289,387
Medium risk	-	8,660	-	8,660
High risk	-	-	39,817	39,817
Gross balance	1,287,700	10,347	39,817	1,337,864
Allowance for impairment losses	(1,858)	(1,548)	(21,558)	(24,964)
Total carrying amount of financial assets at amortised cost affected by credit risk	1,285,842	8,799	18,259	1,312,900

	31 December 2024			
Credit Rating	Stage 1 12 months expected credit losses	Stage 2 lifetime expected credit losses	Stage 3 lifetime expected credit losses Note(ii)	Total
Low risk	1,089,480	2,034	-	1,091,514
Medium risk	283	8,177	-	8,460
High risk	-	-	45,180	45,180
Gross balance	1,089,763	10,211	45,180	1,145,154
Allowance for impairment losses	(1,901)	(1,046)	(23,218)	(26,165)
Total carrying amount of financial assets at amortised cost affected by credit risk	1,087,862	9,165	21,962	1,118,989

55 Financial risk management (continued)

Financial assets at fair value through other comprehensive income

	31 December 2025			
	Stage 1	Stage 2	Stage 3	Total
Credit Rating	12 months expected credit losses	lifetime expected credit losses	lifetime expected credit losses	
Low risk	926,661	47	-	926,708
Medium risk	-	-	-	-
High risk	-	-	205	205
Gross balance	926,661	47	205	926,913
Allowance for impairment losses	(1,854)	(6)	(939)	(2,799)
Total carrying amount of financial assets at fair value through other comprehensive income affected by credit risk	926,661	47	205	926,913

	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
Credit Rating	12 months expected credit losses	lifetime expected credit losses	lifetime expected credit losses	
Low risk	849,251	-	-	849,251
Medium risk	-	-	-	-
High risk	-	-	530	530
Gross balance	849,251	-	530	849,781
Allowance for impairment losses	(1,787)	-	(771)	(2,558)
Total carrying amount of financial assets at fair value through other comprehensive income affected by credit risk	849,251	-	530	849,781

Notes:

(i) Loans and advances to customers include loans and advances to customers measured at fair value through other comprehensive income, and its corresponding impairment are not included in the “Allowance for impairment losses” as shown in the table.

(ii) Claims in Stage 3 mainly represent investment management products and trust investment plans (Note 55(a)(viii)).

55 Financial risk management (continued)

(ii) Measurement of expected credit losses

The following table shows the movement in carrying value of loans and advances to customers in current reporting period:

	Year ended 31 December 2025		
	Stage 1	*Stage 2*	*Stage 3*
As at 1 January 2025	5,539,487	121,006	69,738
Movements			
Net transfers out from Stage 1	(105,000)	-	-
Net transfers into Stage 2	-	26,519	-
Net transfers into Stage 3	-	-	78,481
Net transactions incurred during the year (Note (i))	242,107	(14,077)	(14,339)
Write-off	-	-	(65,584)
Others (Note (ii))	(8,516)	888	82
As at 31 December 2025	5,668,078	134,336	68,378

	Year ended 31 December 2024		
	Stage 1	*Stage 2*	*Stage 3*
As at 1 January 2024	5,348,309	96,779	67,646
Movements			
Net transfers out from Stage 1	(121,079)	-	-
Net transfers into Stage 2	-	42,321	-
Net transfers into Stage 3	-	-	78,758
Net transactions incurred during the year (Note (i))	304,200	(19,131)	(16,400)
Write-off	-	-	(60,724)
Others (Note (ii))	8,057	1,037	458
As at 31 December 2024	5,539,487	121,006	69,738

55 Financial risk management (continued)

The following table shows the movement in carrying value of financial investment in current reporting period:

	Year ended 31 December 2025		
	Stage 1	*Stage 2*	*Stage 3*
As at 1 January 2025	1,939,014	10,211	45,710
Movements			
Net transfers into Stage 1	25	-	-
Net transfers out from Stage 2	-	(1,440)	-
Net transfers into Stage 3	-	-	1,415
Net transactions incurred during the year (Note (i))	283,912	1,298	(4,038)
Write-off	-	-	(3,094)
Others (Note (ii))	(8,590)	325	29
As at 31 December 2025	2,214,361	10,394	40,022

	Year ended 31 December 2024		
	Stage 1	*Stage 2*	*Stage 3*
As at 1 January 2024	1,945,626	6,438	48,516
Movements			
Net transfers out from Stage 1	(4,812)	-	-
Net transfers into Stage 2	-	4,301	-
Net transfers into Stage 3	-	-	511
Net transactions incurred during the year (Note (i))	(6,687)	(1,339)	(148)
Write-off	-	-	(3,365)
Others (Note (ii))	4,887	811	196
As at 31 December 2024	1,939,014	10,211	45,710

Notes:

(i) Net transactions during the year mainly include changes in carrying amount due to purchase, origination, or derecognition (excluding write-offs).

(ii) Others include changes in accrued interest receivables and effect of exchange differences during the year.

55 Financial risk management (continued)

The following table shows the movement in allowance for impairment of loans and advances to customers in current reporting period:

	Year ended 31 December 2025		
	Stage 1	*Stage 2*	*Stage 3*
As at 1 January 2025	62,586	29,454	48,902
Movements (Note (i))			
Net transfers out from Stage 1	(2,939)	-	-
Net transfers into Stage 2	-	1,553	-
Net transfers into Stage 3	-	-	27,880
Net transactions incurred during the year (Note (ii))	7,438	(2,470)	(6,075)
Changes in parameters for the year (Note (iii))	(3,319)	(961)	29,923
Write-off	-	-	(65,584)
Others (Note (iv))	(82)	97	13,303
As at 31 December 2025	63,684	27,673	48,349

	Year ended 31 December 2024		
	Stage 1	*Stage 2*	*Stage 3*
As at 1 January 2024	63,562	27,105	44,531
Movements (Note (i))			
Net transfers out from Stage 1	(3,136)	-	-
Net transfers into Stage 2	-	6,157	-
Net transfers into Stage 3	-	-	33,557
Net transactions incurred during the year (Note (ii))	7,501	(4,995)	(6,962)
Changes in parameters for the year (Note (iii))	(5,303)	131	25,749
Write-off	-	-	(60,724)
Others (Note (iv))	(38)	1,056	12,751
As at 31 December 2024	62,586	29,454	48,902

55 Financial risk management (continued)

The following table shows the movement in allowance for impairment of financial investment in current reporting period:

	Year ended 31 December 2025		
	Stage 1	*Stage 2*	*Stage 3*
As at 1 January 2025	3,688	1,046	23,989
Movements (Note (i))			
Net transfers into Stage 1	38	-	-
Net transfers out from Stage 2	-	(457)	-
Net transfers into Stage 3	-	-	419
Net transactions incurred during the year (Note (ii))	302	267	(16)
Changes in parameters for the year (Note (iii))	(304)	522	1,111
Write-off	-	-	(3,094)
Others (Note (iv))	(12)	176	88
As at 31 December 2025	3,712	1,554	22,497

	Year ended 31 December 2024		
	Stage 1	*Stage 2*	*Stage 3*
As at 1 January 2024	3,965	1,580	22,728
Movements (Note (i))			
Net transfers out from Stage 1	(165)	-	-
Net transfers out from Stage 2	-	(58)	-
Net transfers into Stage 3	-	-	223
Net transactions incurred during the year (Note (ii))	203	(618)	1,386
Changes in parameters for the year (Note (iii))	(309)	138	2,961
Write-off	-	-	(3,365)
Others (Note (iv))	(6)	4	56
As at 31 December 2024	3,688	1,046	23,989

Notes:

(i) Movements in allowance for impairment during the year mainly include the impact of stage changes on the measurement of ECLs.

(ii) Net transactions during the year mainly include changes in allowance for impairment due to financial assets purchased newly originated, purchased or derecognized (excluding write-offs).

(iii) Changes in parameters mainly include changes in risk exposures and the impacts on ECLs due to changes in PDs and LGDs following regular updates on modelling parameters rather than stages movements.

(iv) Others include recovery of loans written off, changes of impairment losses of accrued interest, and effect of exchange differences.

55 Financial risk management (continued)

(iii) Loans and advances to customers analysed by industry sector:

	31 December 2025			31 December 2024		
	Gross balance	*%*	*Loans and advances secured by collateral*	*Gross balance*	*%*	*Loans and advances secured by collateral*
Corporate loans						
- manufacturing	688,361	11.7	219,571	556,173	9.7	197,868
- rental and business services	626,095	10.6	178,026	563,951	9.8	156,726
- water, environment and public utility management	436,457	7.4	92,427	437,242	7.6	96,817
- real estate	297,453	5.1	206,133	285,149	5.0	196,753
- wholesale and retail	262,739	4.5	90,427	226,139	3.9	93,242
- transportation, storage and postal services	169,056	2.9	69,030	148,934	2.6	62,888
- production and supply of electric power, heat, gas and water	149,524	2.5	51,719	118,483	2.1	46,869
- construction	133,624	2.3	32,642	115,613	2.0	36,822
- financial industry	113,036	1.9	10,720	91,514	1.6	8,896
- Information transmission, software and information technology services	82,258	1.4	26,476	66,479	1.2	22,681
- others	334,602	5.7	87,551	298,440	5.2	84,905
Subtotal	3,293,205	56.0	1,064,722	2,908,117	50.7	1,004,467
Personal loans	2,366,798	40.2	1,656,013	2,362,110	41.1	1,593,382
Discounted bills	202,169	3.4	-	449,901	7.8	-
Accrued interest	23,887	0.4	-	21,715	0.4	-
Gross loans and advances to customers	5,886,059	100.0	2,720,735	5,741,843	100.0	2,597,849

(iv) Loans and advances to customers analysed by geographical sector:

	31 December 2025			31 December 2024		
	Gross balance	*%*	*Loans and advances secured by collateral*	*Gross balance*	*%*	*Loans and advances secured by collateral*
Yangtze River Delta	1,746,150	29.6	822,600	1,647,237	28.8	760,263
Bohai Rim (including Head Office)	1,399,571	23.8	478,514	1,455,154	25.3	465,582
Pearl River Delta and West Strait	847,259	14.4	502,282	812,116	14.1	482,490
Central	818,539	13.9	400,725	804,731	14.0	402,389
Western	734,236	12.5	376,861	696,388	12.1	343,939
Northeastern	82,593	1.4	46,461	84,343	1.5	46,712
Outside Mainland China	233,824	4.0	93,292	220,159	3.8	96,474
Accrued interest	23,887	0.4	-	21,715	0.4	-
Total	5,886,059	100.0	2,720,735	5,741,843	100.0	2,597,849

55 Financial risk management (continued)

(v) Loans and advances to customers analysed by type of security

	31 December 2025	*31 December 2024*
Unsecured loans	1,785,310	1,625,741
Guaranteed loans	1,153,958	1,046,637
Secured loans	2,720,735	2,597,849
- loans secured by collateral	2,258,793	2,197,326
- pledged loans	461,942	400,523
Subtotal	5,660,003	5,270,227
Discounted bills	202,169	449,901
Accrued interest	23,887	21,715
Gross loans and advances to customers	5,886,059	5,741,843

(vi) Rescheduled loans and advances to customers

	31 December 2025		*31 December 2024*	
	Gross balance	*% of total loans and advances*	*Gross balance*	*% of total loans and advances*
Rescheduled loans and advances	37,731	0.64%	29,601	0.52%
- rescheduled loans and advances overdue more than 3 months	4,270	0.07%	1,626	0.03%

Rescheduled loans and advances are those loans and advances to customers which have been restructured or renegotiated because of deterioration in the financial position of the borrowers, or of the inability of the borrower to meet the original repayment schedule and for which the revised repayment terms are a concession that the Group would not otherwise consider. As of 31 December 2025, the Group's concession given under renegotiation with borrowers or court rulings as a result of deterioration in financial position of borrowers is not significant.

55 Financial risk management (continued)

(vii) Debt securities analysed by credit rating

The Group adopts a credit rating approach to manage credit risk of its debt instruments portfolio. The ratings are obtained from major rating agencies where the debt instruments are issued. As at 31 December 2025 and 2024, debt instruments analysed by rating as at the end of the reporting period are as follows:

	31 December 2025					
	Unrated (Note (i))	*AAA*	*AA*	*A*	*Below A*	*Total*
Bonds issued by:						
- governments	831,766	619,500	32,948	1,874	260	1,486,348
- policy banks	5,954	-	-	165,024	-	170,978
- public entities	-	-	13,847	-	51	13,898
- banks and non-bank financial institutions	35,628	266,239	30,496	56,605	10,621	399,589
- corporates	22,210	108,905	32,042	25,560	22,232	210,949
Investment management products managed by securities companies	23,226	-	-	-	-	23,226
Trust investment plans	169,511	-	-	-	-	169,511
Total	1,088,295	994,644	109,333	249,063	33,164	2,474,499

	31 December 2024					
	Unrated (Note (i))	*AAA*	*AA*	*A*	*Below A*	*Total*
Bonds issued by:						
- governments	909,891	532,386	41,824	240	-	1,484,341
- policy banks	24,475	-	-	5,192	-	29,667
- public entities	-	-	11,705	-	-	11,705
- banks and non-bank financial institutions	20,305	211,989	16,377	45,594	8,514	302,779
- corporates	20,254	83,324	23,093	20,474	13,020	160,165
Investment management products managed by securities companies	16,712	-	-	-	-	16,712
Trust investment plans	175,858	-	-	-	-	175,858
Total	1,167,495	827,699	92,999	71,500	21,534	2,181,227

Note:

(i) Unrated debt securities held by the Group are primarily bonds issued by the Chinese government, policy banks, banks, non-bank financial institutions, investment management products managed by securities companies and trust investment plans.

55 Financial risk management (continued)

(viii) Investment management products managed by securities companies and trust investment plans analysed by type of underlying assets at amortised cost

	31 December 2025	*31 December 2024*
Investment management products managed by securities companies and trust investment plans		
- credit assets	204,128	210,068
Total	204,128	210,068

The Group puts investment management products managed by securities companies and trust investment plans into comprehensive credit management system, to manage its credit risk exposure in a holistic manner. The type of security of credit assets includes guarantee, secured by collateral, and pledge.

(b) Market risk

Market risk refers to risks that may cause a loss of on-balance sheet and off-balance sheet businesses for the Group due to the adverse movement of market prices, including interest rates, foreign exchange rates, stock prices and commodity prices. The Group has established a market risk management system that formulates procedures to identify, measure, supervision, control and report market risks. This system manages market risk through product admission approval and limit management, effectively preventing market risk, controlling market risk within a reasonable range, and achieving a reasonable balance between risk and return.

Management of the Group is responsible for formulating market risk management policies, establishing appropriate organizational structure and information systems to effectively identify, measure, monitor, control and report market risks, and ensuring adequate resources to reinforce the market risk management. The Risk Management Department is responsible for independently managing and controlling market risks of the Group, including developing market risk management policies and risk limits, providing independent report of market risk to identify, measure and monitor the Group's market risk. Business departments are responsible for the day-to-day management of market risks, including effectively identifying, measuring, controlling market risk factors associated with the relevant operations, so as to ensure the dynamic balance between business development and risk undertaking.

The Group uses sensitivity analysis, foreign exchange exposure and interest rate re-pricing gap analysis as the primary instruments to monitor market risk.

Interest rate risk and currency risk are the major market risks that the Group is exposed to.

Interest rate risk

The Group's interest rate exposures mainly arise from the mismatching of assets and liabilities' re-pricing dates, as well as the effect of interest rate volatility on trading positions.

55 Financial risk management (continued)

The Group primarily uses gap analysis to assess and monitor its re-pricing risk and adjust the ratio of floating and fixed rate exposures, the loan re-pricing cycle, as well as optimization of the term structure of its deposits accordingly.

The Group implements various methods, such as duration analysis, sensitivity analysis, stress testing and scenario simulation, to measure, manage and report the interest rate risk on a regular basis.

The following tables summarise the average interest rates, and the next re-pricing dates or contractual maturity date whichever is earlier for the assets and liabilities as at the end of each reporting date.

	31 December 2025						
	Average interest rate (Note (i))	*Total*	*Non-interest bearing*	*Less than three months*	*Between three months and one year*	*Between one and five years*	*More than five years*
Assets							
Cash and balances with central banks	1.61%	386,916	21,632	365,284	-	-	-
Deposits with banks and non-bank financial institutions	1.50%	141,197	209	137,902	2,759	327	-
Placements with and loans to banks and non-bank financial institutions	2.29%	446,098	1,691	188,883	194,237	61,287	-
Financial assets held under resale agreements	1.62%	169,640	22	169,618	-	-	-
Loans and advances to customers (Note (ii))	3.67%	5,746,871	21,037	3,633,206	1,746,610	306,952	39,066
Financial investment							
- at fair value through profit or loss		678,778	444,092	38,898	67,346	59,137	69,305
- at amortised cost	2.67%	1,312,900	12,715	144,737	205,790	591,703	357,955
- at fair value through other comprehensive income	2.43%	926,913	6,517	101,627	141,382	405,951	271,436
- designated at fair value through other comprehensive income		8,234	8,234	-	-	-	-
Others		313,481	313,481	-	-	-	-
Total assets		10,131,028	829,630	4,780,155	2,358,124	1,425,357	737,762

55 Financial risk management (continued)

	31 December 2025						
	Average interest rate (Note (i))	*Total*	*Non-interest bearing*	*Less than three months*	*Between three months and one year*	*Between one and five years*	*More than five years*
Liabilities							
Borrowings from central banks	1.90%	204,025	1,443	43,733	158,849	-	-
Deposits from banks and non-bank financial institutions	1.41%	936,672	3,710	695,427	237,535	-	-
Placements from banks and non-bank financial institutions	2.46%	159,013	605	107,112	45,540	2,461	3,295
Financial liabilities at fair value through profit or loss		1,296	-	-	-	1,137	159
Financial assets sold under repurchase agreements	1.78%	477,502	683	410,321	66,498	-	-
Deposits from customers	1.52%	6,127,012	177,993	3,673,105	1,187,172	1,088,742	-
Debt securities issued	1.99%	1,214,339	2,911	477,103	510,878	153,451	69,996
Lease liabilities	3.92%	10,249	-	742	1,874	6,740	893
Others		153,290	146,711	6,579	-	-	-
Total liabilities		9,283,398	334,056	5,414,122	2,208,346	1,252,531	74,343
Interest rate gap		847,630	495,574	(633,967)	149,778	172,826	663,419

55 Financial risk management (continued)

	31 December 2024						
	Average interest rate (Note (i))	*Total*	*Non-interest bearing*	*Less than three months*	*Between three months and one year*	*Between one and five years*	*More than five years*
Assets							
Cash and balances with central banks	1.63%	340,915	15,890	325,025	-	-	-
Deposits with banks and non-bank financial institutions	2.22%	128,193	335	108,521	19,337	-	-
Placements with and loans to banks and non-bank financial institutions	3.14%	404,801	1,230	170,143	175,035	58,393	-
Financial assets held under resale agreements	1.81%	136,265	31	136,234	-	-	-
Loans and advances to customers (Note (ii))	4.24%	5,601,450	20,013	3,880,345	1,356,402	310,160	34,530
Financial investment							
- at fair value through profit or loss		647,398	434,941	69,204	70,241	13,200	59,812
- at amortised cost	2.93%	1,118,989	13,764	78,013	182,951	591,096	253,165
- at fair value through other comprehensive income	2.80%	849,781	6,425	71,374	102,832	482,857	186,293
- designated at fair value through other comprehensive income		4,702	4,702	-	-	-	-
Others		300,228	300,228	-	-	-	-
Total assets		9,532,722	797,559	4,838,859	1,906,798	1,455,706	533,800

55 Financial risk management (continued)

	31 December 2024						
	Average interest rate (Note (i))	*Total*	*Non-interest bearing*	*Less than three months*	*Between three months and one year*	*Between one and five years*	*More than five years*
Liabilities							
Borrowings from central banks	2.48%	124,151	1,544	57,836	64,771	-	-
Deposits from banks and non-bank financial institutions	2.01%	968,492	4,404	894,161	69,927	-	-
Placements from banks and non-bank financial institutions	3.15%	88,550	17	49,378	35,528	3,627	-
Financial liabilities at fair value through profit or loss		1,719	1	-	15	1,652	51
Financial assets sold under repurchase agreements	2.10%	278,003	236	232,354	45,413	-	-
Deposits from customers	1.89%	5,864,311	166,440	3,563,608	1,100,317	1,033,946	-
Debt securities issued	2.42%	1,224,038	3,516	266,626	734,854	149,050	69,992
Lease liabilities	4.37%	10,861	-	790	2,122	6,595	1,354
Others		165,232	163,559	1,673	-	-	-
Total liabilities		8,725,357	339,717	5,066,426	2,052,947	1,194,870	71,397
Interest rate gap		807,365	457,842	(227,567)	(146,149)	260,836	462,403

Notes:

(i) Average interest rate represents the ratio of interest income/expense to average interest bearing assets/liabilities during the year.

(ii) For loans and advances to customers, the “Less than three months” category includes overdue amounts (net of allowance for impairment losses) of RMB35,151 million as at 31 December 2025 (as at 31 December 2024: RMB42,178 million).

55 Financial risk management (continued)

The Group uses sensitivity analysis to measure the potential effect of changes in interest rates on the Group's net interest income and other comprehensive income. The following table sets forth the results of the Group's interest rate sensitivity analysis as at 31 December 2025 and 2024.

	31 December 2025		*31 December 2024*	
	Net interest Income	*Other comprehensive income*	*Net interest Income*	*Other comprehensive income*
+100 basis points	(5,216)	(3,927)	(3,372)	(6,403)
- 100 basis points	5,216	3,927	3,372	6,403

This sensitivity analysis is based on a static interest rate risk profile of the Group's non-derivative assets and liabilities and certain assumptions as discussed below. The analysis measures only the impact of changes in interest rates within one year, showing how annualized interest income would have been affected by repricing of the Group's non-derivative assets and liabilities within the one-year period. The analysis is based on the following assumptions: (i) all assets and liabilities that reprice or mature within the three months bracket, and the beyond three months but within one year bracket both are repriced or mature at the beginning of the respective periods, (ii) it does not reflect the potential impact of unparalleled yield curve movements, and (iii) there are no other changes to the portfolio, all positions will be retained and rolled over upon maturity. The analysis does not take into account the effect of risk management measures taken by management. Due to the assumptions adopted, actual changes in the Group's net interest income and other comprehensive income resulted from increases or decreases in interest rates may differ from the results of this sensitivity analysis.

Currency risk

Currency risk arises from the potential change of exchange rates that cause a loss to the on-balance sheet and off-balance sheet business of the Group. The Group measures its currency risk with foreign currency exposures, and manages its currency risk by spot and forward foreign exchange transactions and matching its foreign currency denominated assets with corresponding liabilities in the same currency, as well as using derivative financial instruments, mainly foreign exchange swaps, to manage its exposure.

55 Financial risk management (continued)

The exposures at the reporting date were as follows:

	31 December 2025				
	RMB	*USD (RMB equivalent)*	*HKD (RMB equivalent)*	*Others (RMB equivalent)*	*Total*
Assets					
Cash and balances with central banks	369,850	16,130	613	323	386,916
Deposits with banks and non-bank financial institutions	92,716	38,232	3,530	6,719	141,197
Placements with and loans to banks and non-bank financial institutions	360,877	31,837	53,371	13	446,098
Financial assets held under resale agreements	168,723	917	-	-	169,640
Loans and advances to customers	5,439,226	155,159	114,458	38,028	5,746,871
Financial investments					
- at fair value through profit or loss	656,839	18,372	2,362	1,205	678,778
- at amortised cost	1,309,640	2,891	-	369	1,312,900
- at fair value through other comprehensive income	707,634	138,171	41,290	39,818	926,913
- designated at fair value through other comprehensive income	7,939	233	62	-	8,234
Others	288,439	13,230	11,434	378	313,481
Total assets	9,401,883	415,172	227,120	86,853	10,131,028
Liabilities					
Borrowings from central banks	204,025	-	-	-	204,025
Deposits from banks and non-bank financial institutions	912,995	21,904	740	1,033	936,672
Placements from banks and non-bank financial institutions	111,183	43,814	3,617	399	159,013
Financial liabilities at fair value through profit or loss	108	51	1,137	-	1,296
Financial assets sold under repurchase agreements	455,758	10,242	-	11,502	477,502
Deposits from customers	5,595,857	285,808	191,788	53,559	6,127,012
Debt securities issued	1,196,361	14,809	2,007	1,162	1,214,339
Lease liability	9,488	28	686	47	10,249
Others	64,622	27,360	57,099	4,209	153,290
Total liabilities	8,550,397	404,016	257,074	71,911	9,283,398
Net on-balance sheet position	851,486	11,156	(29,954)	14,942	847,630
Credit commitments	2,177,513	85,138	34,644	12,485	2,309,780
Derivatives (Note (i))	30,130	713	26,829	(15,715)	41,957

55 Financial risk management (continued)

	31 December 2024				
	RMB	*USD (RMB equivalent)*	*HKD (RMB equivalent)*	*Others (RMB equivalent)*	*Total*
Assets					
Cash and balances with central banks	327,032	12,720	907	256	340,915
Deposits with banks and non-bank financial institutions	85,607	36,476	2,009	4,101	128,193
Placements with and loans to banks and non-bank financial institutions	309,905	42,845	48,040	4,011	404,801
Financial assets held under resale agreements	133,855	2,410	-	-	136,265
Loans and advances to customers	5,311,058	144,969	113,703	31,720	5,601,450
Financial investments					
- at fair value through profit or loss	630,378	12,648	3,146	1,226	647,398
- at amortised cost	1,111,220	7,342	-	427	1,118,989
- at fair value through other comprehensive income	666,480	133,849	33,473	15,979	849,781
- designated at fair value through other comprehensive income	4,417	217	68	-	4,702
Others	266,000	14,684	15,910	3,634	300,228
Total assets	8,845,952	408,160	217,256	61,354	9,532,722
Liabilities					
Borrowings from central banks	124,151	-	-	-	124,151
Deposits from banks and non-bank financial institutions	943,456	23,967	778	291	968,492
Placements from banks and non-bank financial institutions	61,494	25,745	896	415	88,550
Financial liabilities at fair value through profit or loss	313	215	1,191	-	1,719
Financial assets sold under repurchase agreements	263,688	10,752	-	3,563	278,003
Deposits from customers	5,360,385	258,715	197,147	48,064	5,864,311
Debt securities issued	1,201,622	17,335	2,165	2,916	1,224,038
Lease liability	9,968	36	784	73	10,861
Others	76,685	24,483	60,297	3,767	165,232
Total liabilities	8,041,762	361,248	263,258	59,089	8,725,357
Net on-balance sheet position	804,190	46,912	(46,002)	2,265	807,365
Credit commitments	2,201,100	92,517	12,648	13,289	2,319,554
Derivatives (Note (i))	51,373	(44,569)	45,529	(2,111)	50,222

Note:

(i) Derivatives represent the net notional amount of currency derivatives, including undelivered foreign exchange spot, foreign exchange forward, foreign exchange swap, currency swap and currency option.

55 Financial risk management (continued)

The Group uses sensitivity analysis to measure the potential effect of changes in foreign currency exchange rates on the Group's profit or loss and other comprehensive income. The following table sets forth, as at 31 December 2025 and 2024, the results of the Group's foreign exchange rate sensitivity analysis.

	31 December 2025		*31 December 2024*	
	Profit before tax	*Other comprehensive income*	*Profit before tax*	*Other comprehensive income*
5% appreciation	374	24	93	8
5% depreciation	(374)	(24)	(93)	(8)

This sensitivity analysis is based on a static foreign exchange exposure profile of assets and liabilities and certain assumptions as follows: (i) the foreign exchange sensitivity is the gain and loss realised as a result of 5% fluctuation in the foreign currency exchange rates against RMB at the reporting date, (ii) the exchange rates against RMB for all foreign currencies change in the same direction simultaneously and does not take into account the correlation effect of changes in different foreign currencies, and (iii) the foreign exchange exposures calculated include both spot foreign exchange exposures, forward foreign exchange exposure and options, and; all positions will be retained and rolled over upon maturity. The analysis does not take into account the effect of risk management measures taken by management. Due to the assumptions adopted, actual changes in the Group's profit and other comprehensive income resulting from increases or decreases in foreign exchange rates may differ from the results of this sensitivity analysis.

55 Financial risk management (continued)

(c) Liquidity risk

Liquidity risk arises when the Group, in meeting the demand of liabilities due and other payment obligations as well as the needs of business expansion, is unable to sufficiently, timely or cost-effectively acquire funds. The Group's liquidity risk arises mainly from the mismatch of assets to liabilities and customers may concentrate their withdrawals.

The Group has implemented overall liquidity risk management on the entity level. The headquarters has the responsibility for developing the entire Group's liquidity risk policies, strategies, and implements centralised management of liquidity risk on the entity level. The domestic and foreign affiliates develop their own liquidity policies and procedures within the Group's liquidity strategy management framework, based on the requirements of relevant regulatory bodies.

The Group manages liquidity risk by setting various indicators and operational limits according to the overall position of the Group's assets and liabilities, with referencing to market condition. The Group holds assets with high liquidity to meet unexpected and material demand for payments in the ordinary course of business.

The tools that the Group uses to measure and monitor liquidity risk mainly include:

- Liquidity gap analysis;

- Liquidity indicators (including but not limited to regulated and internal managed indicators, such as liquidity coverage ratio, loan-to-deposit ratio, liquidity ratio, liquidity gap rate, excess reserves rate) monitoring;

- Scenario analysis;

- Stress testing.

On this basis, the Group establishes regular reporting mechanisms for liquidity risk to report the latest situation of liquidity risk to the senior management on a timely basis.

55 Financial risk management (continued)

Analysis of the remaining contractual maturity of assets and liabilities:

	31 December 2025							
	Repayable on demand	*Within one month*	*Between one month and three months*	*Between three months and one year*	*Between one and five years*	*More than five years*	*Undated (Note (i))*	*Total*
Assets								
Cash and balances with central banks	80,404	-	-	4,645	-	-	301,867	386,916
Deposits with banks and non-bank financial institutions	111,986	17,704	8,407	3,100	-	-	-	141,197
Placements with and loans to banks and non-bank financial institutions	-	91,087	97,942	195,136	61,933	-	-	446,098
Financial assets held under resale agreements	-	169,640	-	-	-	-	-	169,640
Loans and advances to customers (Note (ii))	11,314	507,896	406,052	1,355,952	1,556,150	1,882,177	27,330	5,746,871
Financial investments								
- at fair value through profit or loss	-	14,894	22,637	67,349	59,508	69,038	445,352	678,778
- at amortised cost	-	48,195	77,413	206,724	598,698	361,386	20,484	1,312,900
- at fair value through other comprehensive income	-	25,806	37,179	149,388	441,430	272,905	205	926,913
- designated at fair value through other comprehensive income	-	-	-	-	-	-	8,234	8,234
Others	70,809	17,825	13,208	20,633	70,209	7,026	113,771	313,481
Total assets	274,513	893,047	662,838	2,002,927	2,787,928	2,592,532	917,243	10,131,028

55 Financial risk management (continued)

	31 December 2025							
	Repayable on demand	*Within one month*	*Between one month and three months*	*Between three months and one year*	*Between one and five years*	*More than five years*	*Undated (Note (i))*	*Total*
Liabilities								
Borrowings from central banks	-	3,624	41,552	158,849	-	-	-	204,025
Deposits from banks and non-bank financial institutions	591,814	70,455	35,718	238,685	-	-	-	936,672
Placements from banks and non-bank financial institutions	-	48,850	58,370	45,696	2,739	3,358	-	159,013
Financial liabilities at fair value through profit or loss	-	-	-	-	1,137	159	-	1,296
Financial assets sold under repurchase agreements	-	278,754	132,250	66,498	-	-	-	477,502
Deposits from customers	2,630,832	549,924	669,723	1,187,741	1,088,792		-	6,127,012
Debt securities issued	-	127,528	349,826	511,705	154,756	70,524	-	1,214,339
Lease liabilities		290	452	1,874	6,740	893	-	10,249
Others	83,816	3,743	8,604	15,558	20,113	8,647	12,809	153,290
Total liabilities	3,306,462	1,083,168	1,296,495	2,226,606	1,274,277	83,581	12,809	9,283,398
(Short)/Long position	(3,031,949)	(190,121)	(633,657)	(223,679)	1,513,651	2,508,951	904,434	847,630

55 Financial risk management (continued)

	31 December 2024							
	Repayable on demand	*Within one month*	*Between one month and three months*	*Between three months and one year*	*Between one and five years*	*More than five years*	*Undated (Note (i))*	*Total*
Assets								
Cash and balances with central banks	11,699	-	-	4,178	-	-	325,038	340,915
Deposits with banks and non-bank financial institutions	97,144	4,488	7,117	19,444	-	-	-	128,193
Placements with and loans to banks and non-bank financial institutions	-	94,012	76,768	175,217	58,804	-	-	404,801
Financial assets held under resale agreements	-	135,562	703	-	-	-	-	136,265
Loans and advances to customers (Note (ii))	13,537	578,960	522,345	1,161,484	1,502,071	1,798,422	24,631	5,601,450
Financial investments								
- at fair value through profit or loss	-	28,832	41,228	70,247	24,108	59,508	423,475	647,398
- at amortised cost	-	16,626	38,226	184,878	597,173	254,872	27,214	1,118,989
- at fair value through other comprehensive income	-	18,768	32,693	105,146	505,293	187,351	530	849,781
- designated at fair value through other comprehensive income	-	-	-	-	-	-	4,702	4,702
Others	47,570	20,694	21,806	42,262	77,435	8,949	81,512	300,228
Total assets	169,950	897,942	740,886	1,762,856	2,764,884	2,309,102	887,102	9,532,722

55 Financial risk management (continued)

	31 December 2024							
	Repayable on demand	*Within one month*	*Between one month and three months*	*Between three months and one year*	*Between one and five years*	*More than five years*	*Undated (Note (i))*	*Total*
Liabilities								
Borrowings from central banks	-	31,605	27,775	64,771	-	-	-	124,151
Deposits from banks and non-bank financial institutions	505,294	165,422	227,196	70,580	-	-	-	968,492
Placements from banks and non-bank financial institutions	-	8,352	41,339	35,403	3,158	298	-	88,550
Financial liabilities at fair value through profit or loss	-	-	-	15	1,652	52	-	1,719
Financial assets sold under repurchase agreements	-	113,633	118,957	45,413	-	-	-	278,003
Deposits from customers	2,588,659	473,087	667,866	1,100,725	1,033,974	-	-	5,864,311
Debt securities issued	-	32,991	233,913	735,791	150,723	70,620	-	1,224,038
Lease liabilities	-	319	471	2,122	6,595	1,354	-	10,861
Others	43,700	21,203	17,570	35,415	24,376	9,986	12,982	165,232
Total liabilities	3,137,653	846,612	1,335,087	2,090,235	1,220,478	82,310	12,982	8,725,357
(Short)/Long position	(2,967,703)	51,330	(594,201)	(327,379)	1,544,406	2,226,792	874,120	807,365

55 Financial risk management (continued)

The tables below present the cash flows of the Group's financial assets and liabilities. The amounts disclosed in the table are the contractual undiscounted cash flow:

	31 December 2025							
	Repayable on demand	*Within one month*	*Between one month and three months*	*Between three months and one year*	*Between one and five years*	*More than five years*	*Undated (Note (i))*	*Total*
Non-derivative cash flow								
Assets								
Cash and balances with central banks	80,404	-	-	4,645	-	-	301,867	386,916
Deposits with banks and non-bank financial institutions	111,986	17,869	8,457	3,140	-	-	-	141,452
Placements with and loans to banks and non-bank financial institutions	-	91,197	98,014	195,413	62,550	-	-	447,174
Financial assets held under resale agreements	-	169,688	-	-	-	-	-	169,688
Loans and advances to customers (Note (ii))	11,314	517,956	440,440	1,459,763	1,837,051	2,242,433	31,683	6,540,640
Financial investments								
- at fair value through profit or loss	-	15,074	22,986	69,714	67,571	76,179	445,352	696,876
- at amortised cost	-	50,558	82,472	227,919	665,562	399,048	21,181	1,446,740
- at fair value through other comprehensive income	-	27,031	39,598	162,942	496,116	314,121	205	1,040,013
- designated at fair value through other comprehensive income	-	-	-	-	-	-	8,273	8,273
Others	70,809	17,825	13,208	20,633	70,209	7,026	113,771	313,481
Total assets	274,513	907,198	705,175	2,144,169	3,199,059	3,038,807	922,332	11,191,253

55 Financial risk management (continued)

	31 December 2025							
	Repayable on demand	*Within one month*	*Between one month and three months*	*Between three months and one year*	*Between one and five years*	*More than five years*	*Undated (Note (i))*	*Total*
Liabilities								
Borrowings from central banks	-	3,663	42,378	161,442	-	-	-	207,483
Deposits from banks and non-bank financial institutions	591,814	70,841	36,044	242,723	-	-	-	941,422
Placements from banks and non-bank financial institutions	-	49,111	58,668	47,012	3,561	4,524	-	162,876
Financial liabilities at fair value through profit or loss	-	-	-	-	1,137	179	-	1,316
Financial assets sold under repurchase agreements	-	278,882	132,927	67,400	-	-	-	479,209
Deposits from customers	2,630,832	558,564	688,532	1,226,651	1,158,686	-	-	6,263,265
Debt securities issued	-	127,528	350,807	516,992	166,171	78,772	-	1,240,270
Lease liability		301	470	1,939	6,927	922		10,559
Others	83,816	3,743	8,604	15,558	20,113	8,647	12,809	153,290
Total liabilities	3,306,462	1,092,633	1,318,430	2,279,717	1,356,595	93,044	12,809	9,459,690
(Short)/Long position	(3,031,949)	(185,435)	(613,255)	(135,548)	1,842,464	2,945,763	909,523	1,731,563
Derivative cash flow								
Derivative financial instrument settled on a net basis	-	71	13	21	(53)	8	-	60
Derivative financial instruments settled on a gross basis	-	52	924	1,669	806	(1)	-	3,450
- cash inflow	-	1,303,348	1,167,756	2,103,498	152,729	650	-	4,727,981
- cash outflow	-	(1,303,296)	(1,166,832)	(2,101,829)	(151,923)	(651)	-	(4,724,531)

55 Financial risk management (continued)

	31 December 2024							
	Repayable on demand	*Within one month*	*Between one month and three months*	*Between three months and one year*	*Between one and five years*	*More than five years*	*Undated (Note (i))*	*Total*
Non-derivative cash flow								
Assets								
Cash and balances with central banks	11,699	-	1,324	8,302	-	-	325,038	346,363
Deposits with banks and non-bank financial institutions	97,144	4,559	7,401	20,284	-	-	-	129,388
Placements with and loans to banks and non-bank financial institutions	-	94,145	76,887	175,483	59,417	-	-	405,932
Financial assets held under resale agreements	-	135,580	703	-	-	-	-	136,283
Loans and advances to customers (Note (ii))	13,537	589,458	555,519	1,273,664	1,806,400	2,159,588	29,495	6,427,661
Financial investments								
- at fair value through profit or loss	-	28,876	41,308	71,222	26,697	61,577	423,475	653,155
- at amortised cost	-	18,669	44,336	207,281	662,182	274,729	27,769	1,234,966
- at fair value through other comprehensive income	-	19,863	34,737	119,731	557,246	213,611	530	945,718
- designated at fair value through other comprehensive income	-	-	-	-	-	-	4,702	4,702
Others	47,570	20,694	21,806	42,262	77,435	8,949	81,512	300,228
Total assets	169,950	911,844	784,021	1,918,229	3,189,377	2,718,454	892,521	10,584,396

55 Financial risk management (continued)

	31 December 2024							
	Repayable on demand	*Within one month*	*Between one month and three months*	*Between three months and one year*	*Between one and five years*	*More than five years*	*Undated (Note (i))*	*Total*
Liabilities								
Borrowings from central banks	-	32,368	28,459	66,060	-	-	-	126,887
Deposits from banks and non-bank financial institutions	505,294	165,815	230,735	77,803	-	-	-	979,647
Placements from banks and non-bank financial institutions	-	8,358	41,352	35,485	3,158	507	-	88,860
Financial liabilities at fair value through profit or loss	-	-	-	15	1,658	74	-	1,747
Financial assets sold under repurchase agreements	-	113,809	119,124	45,485	-	-	-	278,418
Deposits from customers	2,588,659	480,649	684,519	1,160,859	1,120,928	-	-	6,035,614
Debt securities issued	-	32,991	234,323	742,810	166,662	77,398	-	1,254,184
Lease liability	-	319	474	2,173	7,612	1,649	-	12,227
Others	43,700	21,203	17,570	35,415	24,376	9,986	12,982	165,232
Total liabilities	3,137,653	855,512	1,356,556	2,166,105	1,324,394	89,614	12,982	8,942,816
(Short)/Long position	(2,967,703)	56,332	(572,535)	(247,876)	1,864,983	2,628,840	879,539	1,641,580
Derivative cash flow								
Derivative financial instrument settled on a net basis	-	527	2,079	(2,600)	345	28	-	379
Derivative financial instruments settled on a gross basis	-	(909)	(1,532)	645	314	-	-	(1,482)
- cash inflow	-	1,090,891	903,359	2,342,900	211,124	1,114	-	4,549,388
- cash outflow	-	(1,091,800)	(904,891)	(2,342,255)	(210,810)	(1,114)	-	(4,550,870)

55 Financial risk management (continued)

Credit Commitments include bank acceptances, credit card commitments, guarantees, loan commitments and letters of credit. The tables below summarise the amounts of credit commitments by remaining contractual maturity.

	31 December 2025			
	Less than 1 year	*1 - 5 years*	*Over 5 years*	*Total*
Bank acceptances	833,848	-	-	833,848
Credit card commitments	785,295	7,335	20	792,650
Guarantees	165,378	86,287	327	251,992
Loan commitments	8,075	30,872	24,539	63,486
Letters of credit	367,043	761	-	367,804
Total	2,159,639	125,255	24,886	2,309,780

	31 December 2024			
	Less than 1 year	*1 - 5 years*	*Over 5 years*	*Total*
Bank acceptances	854,489	-	-	854,489
Credit card commitments	812,562	-	-	812,562
Guarantees	163,520	109,710	348	273,578
Loan commitments	8,509	17,002	28,553	54,064
Letters of credit	323,768	1,093	-	324,861
Total	2,162,848	127,805	28,901	2,319,554

Notes:

(i) For cash and balances with central banks, the undated period amount represented statutory deposit reserve funds and fiscal deposits maintained with the PBOC. For loans and advances to customers and investments, the undated period amount represented the balances being credit-impaired or overdue for more than one month. Equity investments, investment funds were also reported under undated period.

(ii) The balances of loans and advances to customers which were overdue within one month but not impaired are included in repayable on demand.

55 Financial risk management (continued)

(d) Operational risk

Operational risk refers to the risk of loss arising from inappropriate or problematic internal procedures, personnel, IT systems, or external events, including legal risk, but excluding strategic risk and reputational risk.

The Group manages operational risk through deeply applying the operational risk management tools by establishing a sound mechanism of operational risk management in order to identify, evaluate, measure, control, mitigate, monitor and report operational risks. It continuously enhances risk management capabilities and the ability to respond to impacts from internal and external events, thereby reducing losses from operational risks. Internal control, as an effective means of operational risk management, mainly includes the following aspects:

- by establishing a matrix authorisation management system of the whole group, carrying out the annual unified authorisation work, and strictly restricting the institutions and personnel at all levels to carry out business activities within the scope of authority granted, the management requirements of prohibiting the overstepping of authority to engage in business activities were further clarified at the institutional level;

- through consistent legal responsibility framework, taking strict disciplinary actions against non-compliance in order to ensure accountability;

- promoting the culture establishments throughout the organisation; strength training and performance appraisal management in raising risk management awareness;

- strengthening cash and account management in accordance with the relevant policies and procedures, intensifying the monitoring of suspicious transactions. Ensure our staff are well-equipped with the necessary knowledge and basic skills on anti-money laundering through continuous training;

- Disaster backup systems and recovery plans covering all the important activities, in order to minimize any unforeseen interruption. Insurance cover is arranged to mitigate potential losses associated with certain disruptive events.

In addition to the above, the Group continuously optimizes and improves its operational risk management information systems on an ongoing basis to efficiently identify, evaluate, measure, control, mitigate, monitor and report its level of operational risk. The Group's management information system has the functionalities of operational risk event management, operational risk self-assessment, key risk indicators management, operational risk capital measurement, as well as providing operational risk management report content.

56 Capital Adequacy Ratio

Capital adequacy ratio reflects the Group's operational and risk management capability and it is the core of capital management. The Group considers its strategic development plans, business expansion plans and risk variables in conducting its scenario analysis, stress testing and other measures to forecast, plan and manage capital adequacy ratio. The Group's capital management objectives are to meet the legal and regulatory requirements, and to prudently determine the capital adequacy ratio under realistic exposures with reference to the capital adequacy ratio levels of leading global banks and the Group's operating situations.

From 1 January 2024, the Group commenced the computation of its capital adequacy ratios in accordance with the Regulation Governing Capital of Commercial Banks and other relevant regulations promulgated by the NFRA in the year of 2023. According to the requirements, for credit risk, the capital requirement was measured using the weighting method. The market and operational risk were measured by adopting the standardised approach. The requirements pursuant to these regulations may have certain differences comparing to those applicable in Hong Kong and other jurisdictions. The Group's management monitors the Group's and the Bank's capital adequacy regularly based on regulations issued by the NFRA. The required information is filed with the NFRA by the Group and the Bank regularly.

The core Tier-One capital adequacy ratio, Tier-One capital adequacy ratio, and capital adequacy ratio computed by the Group in accordance with the relevant requirements promulgated by the NFRA are listed as below.

56 Capital Adequacy Ratio (continued)

	31 December 2025	*31 December 2024*
Core Tier-One capital adequacy ratio	9.48%	9.72%
Tier-One capital adequacy ratio	10.90%	11.26%
Capital adequacy ratio	12.80%	13.36%
Components of capital base		
Core Tier-One capital:		
Share capital	55,645	54,397
Capital reserve	95,563	89,282
Other comprehensive income and qualified portion of other equity instruments	2,976	16,553
Surplus reserve	74,099	67,606
General reserve	120,314	111,723
Retained earnings	374,628	343,599
Qualified portion of non-controlling interests	9,042	8,604
Total core Tier-One capital	732,267	691,764
Core Tier-One capital deductions:		
Goodwill (net of related deferred tax liability)	(1,017)	(1,060)
Other intangible assets other than land use right (net of related deferred tax liability)	(2,639)	(3,566)
Unrealized gains and losses resulting from changes in the fair value of its liabilities due to changes in its own credit risk	(3)	(4)
Net core Tier-One capital	728,608	687,134
Other Tier-One capital (Note (i))	109,110	108,619
Tier-One capital	837,718	795,753
Tier-Two capital:		
Qualified portion of Tier-Two capital instruments issued and share premium	69,995	69,992
Surplus allowance for impairment	73,899	75,939
Qualified portion of non-controlling interests	2,356	2,476
Net capital base	983,968	944,160
Total risk-weighted assets	7,684,339	7,068,736

56 Capital Adequacy Ratio (continued)

Note:

(i) As at 31 December 2025 and 2024, the Group's other Tier-One capital included preference shares, perpetual bonds issued by the Bank (Note 43) and qualified portion of non-controlling interests (Note 49).

57 Fair value

Fair value estimates are generally subjective in nature, and are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date. This level includes listed equity instruments and debt instruments on exchanges and exchange-traded derivatives.

Level 2: Inputs other than quoted prices included within Level 1 are observable for assets or liabilities, either directly or indirectly. The assets classified into the level 2 include bond investment without active market quotation, part of the bills rediscounting and forfeiting in loans and advances, part of the investment management products managed by securities companies, trust investment plans and equity instruments, as well as a majority of over-the-counter derivative contracts. The valuation methods used by management include discount cash flow evaluation method, Option Pricing Model and according to the valuation results of China Central Depository & Clearing Corporate Limited or Bloomberg. Input parameters are sourced from the open market such as Bloomberg, Wind and Reuters.

Level 3: Inputs for assets or liabilities are based on unobservable parameters. This level includes equity instruments and debt instruments with one or more than one significant unobservable parameter.Management determines the fair value through inquiring from counterparties or using the valuation techniques. The model incorporates unobservable parameters such as discount rate and market price volatilities.

For the year ended 31 December 2025, there was no significant change in the valuation techniques or inputs used to determine fair value measurements.

(a) Financial assets and financial liabilities not measured at fair value

Financial assets and liabilities not carried at fair value of the Group include cash and balances with central banks, deposits with banks and non-bank financial institutions, placements with and loans to banks and non-bank financial institutions, financial assets held under resale agreements, loans and advances to customers at amortised cost, financial investments at amortised cost, borrowings from central banks, deposits from banks and non-bank financial institutions, placements from banks and non-bank financial institutions, financial assets sold under repurchase agreements, deposits from customers and debt securities issued.

57 Fair value (continued)

Except for the items shown in the tables below, the maturity dates of aforesaid financial assets and liabilities are within a year or are mainly floating interest rates, as a result, their carrying amounts are approximately equal to their fair value.

	Carrying values		*Fair values*	
	31 December 2025	*31 December 2024*	*31 December 2025*	*31 December 2024*
Financial assets:				
Financial investments				
- at amortised cost	1,312,900	1,118,989	1,322,353	1,143,541
Financial liabilities:				
Debt securities issued				
- certificates of deposit (not for trading purpose) issued	-	1,470	-	1,480
- debt securities issued	206,762	210,029	207,279	212,115
- subordinated bonds issued	74,019	74,264	75,299	77,097
- certificates of interbank deposit issued	933,558	931,004	933,783	932,348
- convertible corporate bonds issued	-	7,271	-	7,690

Fair value of financial assets and liabilities above at fair value hierarchy is as follows:

	31 December 2025			
	Level 1	*Level 2*	*Level 3*	*Total*
Financial assets:				
Financial investments	1,653	1,133,346	187,354	1,322,353
- at amortised cost				
Financial liabilities:				
Debt securities issued				
- certificates of deposit (not for trading purpose) issued	-	-	-	-
- debt securities issued	9,664	194,645	2,970	207,279
- subordinated bonds issued	3,494	71,805	-	75,299
- certificates of interbank deposit issued	12,468	921,315	-	933,783
- convertible corporate bonds issued	-	-	-	-

	31 December 2024			
	Level 1	*Level 2*	*Level 3*	*Total*
Financial assets:				
Financial investments				
- at amortised cost	2,444	949,679	191,418	1,143,541
Financial liabilities:				
Debt securities issued				
- certificates of deposit (not for trading purpose) issued	-	-	1,480	1,480
- debt securities issued	4,784	204,554	2,777	212,115
- subordinated bonds issued	3,781	73,316	-	77,097
- certificates of interbank deposit issued	29,663	902,685	-	932,348
- convertible corporate bonds issued	-	-	7,690	7,690

57 Fair value (continued)

(b) Financial assets and financial liabilities measured at fair value

	Level 1 (Note (i))	*Level 2 (Note (i))*	*Level 3 (Note (ii))*	*Total*
As at 31 December 2025				
Recurring fair value measurements				
Assets				
Loans and advances to customers at fair value through other comprehensive income				
- loans	-	118,315	-	118,315
- discounted bills	-	200,902	-	200,902
Loans and advances to customers at fair value through current profit or loss	-	-	15,267	15,267
Financial investments at fair value through profit or loss				
- investment funds	118,708	294,628	7,978	421,314
- debt securities	7,108	198,961	4,775	210,844
- certificates of deposit and interbank certificates of deposit	-	18,375	-	18,375
- wealth management and others	557	891	1,445	2,893
- trust investment plans	-	-	5,467	5,467
- equity instruments	992	2	18,891	19,885
Financial investments at fair value through other comprehensive income				
- debt securities	169,869	728,968	8,030	906,867
- certificates of deposit and interbank certificates of deposit	3,293	10,236	-	13,529
Financial investments designated at fair value through other comprehensive income				
- equity instruments	232	-	8,002	8,234
Derivative financial assets				
- interest rate derivatives	-	12,086	-	12,086
- currency derivatives	-	28,125	-	28,125
- precious metals derivatives	-	815	-	815
Total financial assets measured at fair value	300,759	1,612,304	69,855	1,982,918
Liabilities				
Financial liabilities at fair value through profit or loss				
- short position in debt securities	51	108	-	159
- structured products	-	-	1,137	1,137
Derivative financial liabilities				
- interest rate derivatives	-	12,039	-	12,039
- currency derivatives	-	25,356	-	25,356
- precious metals derivatives	-	6,969	-	6,969
Total financial liabilities measured at fair value	51	44,472	1,137	45,660

57 Fair value (continued)

	Level 1 (Note (i))	*Level 2 (Note (i))*	*Level 3 (Note (ii))*	*Total*
As at 31 December 2024				
Recurring fair value measurements				
Assets				
Loans and advances to customers at fair value through other comprehensive income				
- loans	-	76,032	-	76,032
- discounted bills	-	447,719	-	447,719
Loans and advances to customers at fair value through current profit or loss	-	-	11,612	11,612
Financial investments at fair value through profit or loss				
- investment funds	128,148	291,036	8,413	427,597
- debt securities	2,317	145,632	5,615	153,564
- certificates of deposit and interbank certificates of deposit	-	57,626	-	57,626
- wealth management	41	688	1,402	2,131
- trust investment plans	-	-	1,267	1,267
- equity instruments	449	-	4,764	5,213
Financial investments at fair value through other comprehensive income				
- debt securities	134,051	697,228	216	831,495
- certificates of deposit and interbank certificates of deposit	1,766	10,095	-	11,861
Financial investments designated at fair value through other comprehensive income				
- equity instruments	216	-	4,486	4,702
Derivative financial assets				
- interest rate derivatives	1	21,143	-	21,144
- currency derivatives	-	64,282	-	64,282
- precious metals derivatives	-	503	-	503
Total financial assets measured at fair value	266,989	1,811,984	37,775	2,116,748
Liabilities				
Financial liabilities at fair value through profit or loss				
- short position in debt securities	94	-	-	94
- structured products	-	-	1,625	1,625
Derivative financial liabilities				
- interest rate derivatives	3	20,788	-	20,791
- currency derivatives	-	57,090	-	57,090
- precious metals derivatives	-	3,281	-	3,281
Total financial liabilities measured at fair value	97	81,159	1,625	82,881

57 Fair value (continued)

Notes:

(i) During the current period, there were no significant transfers amongst Level 1, Level 2 and Level 3 of the fair value hierarchy.

(ii) The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in the Level 3 fair value hierarchy:

	Assets					*Liabilities*	
	Financial assets at fair value through profit or loss	*Financial assets at fair value through other comprehensive income*	*Financial assets designated at fair value through other comprehensive income*	*Loans and advances to customers*	*Total*	*Financial liabilities at fair value through profit or loss*	*Total*
As at 1 January 2025	21,461	216	4,486	11,612	37,775	(1,625)	(1,625)
Total gains or losses							
- in profit or loss	(185)	-	-	(29)	(214)	-	-
- in comprehensive income	-	2	(65)	-	(63)	-	-
Purchases	25,859	7,980	3,820	4,275	41,934	-	-
Settlements	(8,273)	(201)	(230)	(11)	(8,715)	428	428
Transfer in/out	-	34	-	-	34	-	-
Exchange effect	(306)	(1)	(9)	(580)	(896)	60	60
As at 31 December 2025	38,556	8,030	8,002	15,267	69,855	(1,137)	(1,137)

57 Fair value (continued)

	Assets					*Liabilities*	
	Financial assets at fair value through profit or loss	*Financial assets at fair value through other comprehensive income*	*Financial assets designated at fair value through other comprehensive income*	*Loans and advances to customers*	*Total*	*Financial liabilities at fair value through profit or loss*	*Total*
As at 1 January 2024	56,645	475	4,634	5,558	67,312	(1,061)	(1,061)
Total gains or losses							
- in profit or loss	2,169	-	-	87	2,256	-	-
- in comprehensive income	-	(415)	(158)	-	(573)	-	-
Purchases	9,208	255	-	6,339	15,802	(525)	(525)
Settlements	(1,689)	(102)	-	(624)	(2,415)	-	-
Transfer in/out	(45,122)	-	-	-	(45,122)	-	-
Exchange effect	250	3	10	252	515	(39)	(39)
As at 31 December 2024	21,461	216	4,486	11,612	37,775	(1,625)	(1,625)

For unlisted equity investments, fund investments, bond investments, structured products, the Group determines the fair value through counterparties' quotations and valuation techniques, etc. Valuation techniques include discounted cash flow analysis and the market comparison approach, etc. The fair value measurement of these financial instruments may involve important unobservable inputs such as credit spread and liquidity discount, etc. The fair value of the financial instruments classified under level 3 is not significantly influenced by the reasonable changes in these unobservable inputs.

58 Related parties

(a) Relationship of related parties

(i) The Group is controlled by CITIC Financial Holding Co., Ltd. (incorporated in Mainland China), which owns 64.14% of the Bank's shares. The ultimate parent of the Group is CITIC Group (incorporated in Mainland China).

(ii) Related parties of the Group include enterprises controlled, jointly controlled and exerting significant influence by CITIC Group, and enterprises controlled by China National Tobacco Corporation and Quzhou Industrial Holding Group Co., Ltd.The Bank entered into banking transactions with its subsidiaries at arm's length in the ordinary course of business. The related party transactions between the Bank and its subsidiaries have been offset in the preparation of this consolidated financial statement.

China National Tobacco Corporation ("CNTC") and Quzhou Xin'an Development Co., Ltd. have a non-executive director on the Board of Directors of the Bank, which can exert significant influence on the Bank and constitute a related party of the Bank.

Quzhou Xin'an Development Co., Ltd. holds shares in this bank through its wholly-owned subsidiaries, Summit Idea Limited and Hong Kong Xinhu Investment Co., Ltd.The ultimate controlling party of Quzhou Xin'an Development Co., Ltd. is Quzhou Industrial Holding Group Co., Ltd.

(b) Related party transactions

The Group entered into transactions with related parties in the ordinary course of its banking businesses including lending, assets transfer (i.e., issuance of asset-backed securities in the form of public placement), financial investment, deposit, settlement and clearing, off-balance sheet transactions, and purchase, sale, and leases of property. These banking transactions were conducted under normal commercial terms and conditions and priced at the relevant market rates prevailing at the time of each transaction.

The major related party transaction between the Group and related parties are submitted in turn to the board of directors for deliberation, and the relevant announcements have been posted on the websites of the Shanghai Stock Exchange, the Hong Kong Stock Exchange and the Bank.

58 Related parties (continued)

In addition, transactions during the relevant year and the corresponding balances outstanding at the reporting dates are as follows:

	Year ended 31 December 2025		
	Ultimate holding company and affiliates	*The ultimate parent company and its subsidiaries of other important holding companies Notes(i)*	*Associates and joint ventures*
Profit and loss			
Interest income	4,505	1,031	412
Fee and commission income and other operating income/expense	317	50	1
Interest expense	(1,644)	(2,862)	(28)
Net trading gains	103	47	-
Other service fees	(3,315)	(713)	(32)

	Year ended 31 December 2024		
	Ultimate holding company and affiliates	*The ultimate parent company and its subsidiaries of other important holding companies Notes(i)*	*Associates and joint ventures*
Profit and loss			
Interest income	3,646	1,091	232
Fee and commission income and other operating income/expense	289	40	2
Interest expense	(1,945)	(3,398)	(27)
Net trading gains	58	42	-
Other service fees	(3,358)	(717)	(65)

58 Related parties (continued)

	31 December 2025		
	Ultimate holding company and affiliates	*The ultimate parent company and its subsidiaries of other important holding companies Note (i)*	*Associates and joint ventures*
Assets			
Gross loans and advances to customers	59,704	12,984	-
Less: allowance for impairment losses on loans and advances	(1,078)	(127)	-
Loans and advances to customers (net)	58,626	12,857	-
Deposits with banks and non-bank financial institutions	-	11,199	16,002
Placements with and loans to banks and non-bank financial institutions	65,373	5,241	179
Derivative financial assets	562	951	-
Financial assets held under resale agreement	1,025	-	-
Investment in financial assets			
- at fair value through profit or loss	6,636	11,917	-
- at amortised cost	25,141	5,411	-
- at fair value through other comprehensive income	5,660	5,598	10
- designated at fair value through other comprehensive income	454	-	-
Investments in associates and joint ventures	-	-	7,802
Right-of-use assets	66	-	-
Intangible assets	6	-	-
Other assets	498	1	-
Liabilities			
Deposits from banks and non-bank financial institutions	77,769	29,725	1,124
Placements with and loans to banks and nonbank financial institutions	441	-	-
Derivative financial liabilities	427	885	-
Deposits from customers	81,536	196,071	1
Lease liabilities	74	-	-
Other liabilities	85	-	-
Off-balance sheet items			
Guarantees and letters of credit	6,255	8,078	-
Acceptances	3,014	-	-
Nominal amount of derivatives financial instruments	291,631	198,046	-

58 Related parties (continued)

	31 December 2024		
	Ultimate holding company and affiliates	*The ultimate parent company and its subsidiaries of other important holding companies Note (i)*	*Associates and joint ventures*
Assets			
Gross loans and advances to customers	48,915	20,794	-
Less: allowance for impairment losses on loans and advances	(545)	(9)	-
Loans and advances to customers (net)	48,370	20,785	-
Deposits with banks and non-bank financial institutions	100	-	25,500
Placements with and loans to banks and non-bank financial institutions	56,865	-	-
Derivative financial assets	1,275	-	-
Financial assets held under resale agreement	1,601	-	-
Investment in financial assets			
- at fair value through profit or loss	4,267	-	-
- at amortised cost	18,187	2,625	-
- at fair value through other comprehensive income	5,410	1,942	-
- designated at fair value through other comprehensive income	453	-	-
Investments in associates and joint ventures	-	-	7,349
Property, plant and equipment	39	2	-
Right-of-use assets	76	-	-
Intangible assets	367	-	40
Other assets	581	1	-
Liabilities			
Deposits from banks and non-bank financial institutions	47,214	853	305
Placements with and loans to banks and non-bank financial institutions	348	-	-
Derivative financial liabilities	1,132	-	-
Deposits from customers	72,909	199,703	1
Lease liabilities	77	-	-
Other liabilities	707	-	23
Off-balance sheet items			
Guarantees and letters of credit	8,404	12,395	-
Acceptances	2,692	-	-
Nominal amount of derivatives financial instruments	255,460	-	-

58 Related parties (continued)

Note:

(i) Other important holding companies include CNTC, Quzhou Xin'an Development Co., Ltd.

The related party transactions and balances between the Group and CNTC, Quzhou Industrial Holding Group Co., Ltd. and its controlled enterprises disclosed above fell into the period when related party relationship exists. During the year ended 31 December 2025, the transactions between the Group and the subsidiaries of CNTC were not significant.

(c) Key management personnel and their close family members and related companies

Key management personnel are those persons who have the authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including directors, supervisors and executive officers.

The Group entered into banking transactions with key management personnel and their close family members and those companies controlled or jointly controlled by them in the normal course of business. Other than those disclosed below, there was no material transactions and balances between the Group and these individuals, their close family members or those companies controlled or jointly controlled by them.

The aggregate amount of relevant loans outstanding as at 31 December 2025 to directors, supervisors and executive officers amounted to Nil (as at 31 December 2024: Nil).

The aggregated compensations for directors, supervisors and executive officers of the Bank during the year ended 31 December 2025 amounted to RMB25.25 million (year ended 31 December 2024: RMB24.58 million).

(d) Pension plan contributions and supplementary retirement benefits

The Group has established a supplementary defined contribution plan for its qualified employees which is administered by CITIC Group (Note 37(b)).

(e) Transactions with state-owned entities in the PRC

The Group operates in an economic regime currently predominated by entities directly or indirectly owned by the PRC government through its government authorities, agencies, affiliations and other organisations (collectively referred to as "state-owned entities").

58 Related parties (continued)

Transactions with state-owned entities, including CNTC and its controlled enterprises, include but are not limited to the following:

- lending and deposit taking;
- taking and placing of inter-bank balances;
- derivative transactions;
- entrusted lending and other custody services;
- insurance and securities agency, and other intermediary services;
- sale, purchase, underwriting and redemption of bonds issued by state-owned entities;
- purchase, sale and leases of property and other assets; and
- rendering and receiving of utilities and other services.

These transactions are conducted in the ordinary course of the Group's banking business on terms similar to those that would have been entered into with non-state-owned entities. The Group has also established its pricing strategy and approval processes for major products and services, such as loans, deposits and commission income. The pricing strategy and approval processes do not depend on whether the customers are state-owned entities or not. The board of directors are of opinion that none of these transactions are material related party transactions that require separate disclosure.

59 Structured entities

(a) Consolidated structured entities

Structured entities consolidated by the Group include certain asset management plans and trust investment plans, issued, managed and/or invested by the Group. The Group controls these entities because the Group has power over, is exposed to, or has right to variable returns from its involvement with these entities and has the ability to use its power over these entities to affect the amount of the Group's returns.

59 Structured entities (continued)

(b) Unconsolidated structured entities sponsored and managed by third parties

The Group invests in unconsolidated structured entities which are sponsored and managed by other entities for investment return, and records trading gains or losses and interest income therefrom. These unconsolidated structured entities primarily include wealth management products, investment management products, trust investment plans, asset-backed securities and investment funds.

The following table sets out an analysis of the carrying amounts of interests held by the Group as at 31 December 2025 in the structured entities sponsored by third party institutions, as well as an analysis of the line items in the consolidated statement of financial position under which relevant assets are recognized:

	31 December 2025				
	Carrying amount				
	Investments in financial assets at fair value through profit or loss	*Investments in financial assets at amortised costs*	*Investments in financial assets at fair value through other comprehensive income*	*Total*	*Maximum loss exposure*
Wealth management product	2,893	-	-	2,893	2,893
Investment management products managed by securities companies	-	27,092	-	27,092	27,092
Trust investment plans	5,467	177,036	-	182,503	182,503
Asset-backed securities	37,736	109,230	16,664	163,630	163,630
Investment funds	421,314	-	-	421,314	421,314
Total	467,410	313,358	16,664	797,432	797,432

	31 December 2024				
	Carrying amount				
	Investments in financial assets at fair value through profit or loss	*Investments in financial assets at amortised costs*	*Investments in financial assets at fair value through other comprehensive income*	*Total*	*Maximum loss exposure*
Wealth management product	2,131	-	-	2,131	2,131
Investment management products managed by securities companies	-	20,162	-	20,162	20,162
Trust investment plans	1,267	189,906	-	191,173	191,173
Asset-backed securities	840	76,613	34,056	111,509	111,509
Investment funds	427,597	-	-	427,597	427,597
Total	431,835	286,681	34,056	752,572	752,572

The maximum exposures to risk in the above wealth management products, trust investment plans, investment management products, asset-backed securities and investment funds are the carrying value of the assets held by the Group at the reporting date.

59 Structured entities (continued)

(c) Unconsolidated structured entities sponsored and managed by the Group

Unconsolidated structured entities sponsored and managed by the Group mainly include non-principal guaranteed wealth management products. The wealth management products invest in a range of primarily fixed-rate assets, most typically money market instruments, debt securities and loan assets. As the manager of these wealth management products, the Group, on behalf of its customers, invests the raised wealth management funds into relevant assets in accordance with the investment plan and distrib returns to investors based on the operation of the products. The Group's interests in these unconsolidated structured entities primarily represent in receiveing fee and commission income.

As at 31 December 2025, the total assets invested by these outstanding non-principal guaranteed wealth management products issued by the Group amounted to RMB2,296,173 million (31 December 2024: RMB1,992,675 million).

During the year ended 31 December 2025, the Group's interest in these wealth management products included fee and commission income of RMB6,792 million (year ended 31 December 2024: RMB4,871 million).

The Group enters into repo transactions at market interest rates with these wealth management products, and the outstanding balance of these transactions represents the Group's maximum exposure to the wealth management products. During the year ended 31 December 2025, net interest income which related to repo transactions entered into by the Group with these wealth management products were RMB97 million (year ended 31 December 2024: RMB216 million).

As at 31 December 2025, assets of these wealth management products amounting to RMB334,406 million (31 December 2024: RMB291,631 million) were invested in investments in which certain subsidiaries and associates of the CITIC Group acted as trustees.

60 Transfers of financial assets

For the year ended 31 December 2025, the Group entered into transactions which involved securitisation transactions and transfers of financial assets.

These transactions were entered into in the normal course of business by which recognized financial assets were transferred to third parties or structured entities. Transfers of assets may give rise to full or partial derecognition of the financial assets concerned. On the other hand, where transferred assets do not qualify for derecognition as the Group has retained substantially all the risks and rewards of these assets, the Group continues to recognize the transferred assets.

60 Transfers of financial assets (continued)

Details of the financial assets sold under repurchase agreements are set forth in Note 35. Details of securitisation transactions and financial assets transfer transactions conducted by the Group for the year ended 31 December 2025 totaled RMB59,110 million (year ended 31 December 2024: RMB40,658 million) are set forth below.

Securitisation transactions

During the year ended 31 December 2025, the Group, through securitisation, transferred financial assets at the original cost of RMB42,516 million, which qualified for full de-recognition (year ended 31 December 2024: RMB28,760 million, which qualified for full de-recognition).

Loan and other Financial assets transfers

During the year ended 31 December 2025, the Group also transferred loan and other financial assets of book value before impairment of RMB16,594 million through other types of transactions (year ended 31 December 2024: RMB11,898 million). RMB14,084 million of this balance (year ended 31 December 2024: RMB8,434 million) was non-performing loans. RMB2,318 million of this balance (year ended 31 December 2024: RMB3,362 million) was non-performing financial investments.The Group carried out assessment based on the transfer of risks and rewards of ownership and concluded that these transferred assets qualified for full de-recognition.

During the year ended 31 December 2025, the Group transferred loans and other financial assets of book value before impairment of RMB4,850million to China CITIC Financial Asset Management Co., Ltd. through other types of transactions (year ended 31 December 2024: RMB2,920 million). RMB2,532 million of this balance was non-performing loans (year ended 31 December 2024: RMB1,400 million). RMB2,318million of this balance was non-performing financial investments(year ended 31 December 2024: RMB1,520 million). All of the above-mentioned financial assets are qualified for full de-recognition.

61 Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

As at 31 December 2025, the amount of the financial assets and financial liabilities subject to enforceable master netting arrangements or similar agreements are not material to the Group.

62 Statements of financial position and changes in equity of the Bank

Statement of financial position

	31 December 2025	*31 December 2024*
Assets		
Cash and balances with central banks	383,053	336,954
Deposits with banks and non-bank financial institutions	115,511	116,952
Precious metals	28,851	12,387
Placements with and loans to banks and non-bank financial institutions	390,374	339,015
Derivative financial assets	29,934	66,224
Financial assets held under resale agreements	159,074	129,437
Loans and advances to customers	5,454,012	5,315,869
Financial investments		
- at fair value through profit or loss	675,438	641,043
- at amortised cost	1,312,144	1,118,313
- at fair value through other comprehensive income	746,582	706,869
- designated at fair value through other comprehensive income	3,492	3,869
Investments in subsidiaries and joint ventures	47,679	34,258
Property, plant and equipment	32,048	33,363
Right-of-use assets	9,594	10,192
Intangible assets	1,824	2,725
Deferred tax assets	53,096	52,618
Other assets	75,756	63,177
Total assets	9,518,462	8,983,265
Liabilities		
Borrowings from central banks	203,956	124,090
Deposits from banks and non-bank financial institutions	938,910	967,785
Placements from banks and non-bank financial institutions	45,473	4,942
Financial liabilities at fair value through profit or loss	108	-
Derivative financial liabilities	33,459	62,536
Financial assets sold under repurchase agreements	453,911	262,164
Deposits from customers	5,744,176	5,512,990
Accrued staff costs	19,820	19,634
Taxes payable	3,772	6,918
Debt securities issued	1,206,286	1,215,952
Lease liabilities	9,370	9,895
Provisions	9,938	9,897
Other liabilities	63,066	35,781
Total liabilities	8,732,245	8,232,584

62 Statements of financial position and changes in equity of the Bank (continued)

	31 December 2025	*31 December 2024*
Equity		
Share capital	55,645	54,397
Other equity instruments	104,948	105,499
Capital reserve	97,956	91,676
Other comprehensive income	(56)	11,895
Surplus reserve	74,099	67,629
General reserve	115,210	107,205
Retained earnings	338,415	312,380
Total equity	786,217	750,681
Total liabilities and equity	9,518,462	8,983,265

62 Statements of financial position and changes in equity of the Bank (continued)

Statement of changes in equity

	Share capital	*Other equity instruments*	*Capital reserve*	*Other comprehensive income*	*Surplus reserve*	*General reserve*	*Retained earnings*	*Total equity*
As at 1 January 2025	54,397	105,499	91,676	11,895	67,629	107,205	312,380	750,681
(i) Profit for the year	-	-	-	-	-	-	64,701	64,701
(ii) Other comprehensive income	-	-	-	(12,265)	-	-	-	(12,265)
Total comprehensive income	-	-	-	(12,265)	-	-	64,701	52,436
(iii) Investor capital								
- Convertible corporate bonds converted into equity	1,248	(551)	6,280	-	-	-	-	6,977
(iv) Profit appropriations								
- Appropriations to surplus reserve	-	-	-	-	6,470	-	(6,470)	-
- Appropriations to general reserve	-	-	-	-	-	8,005	(8,005)	-
- Dividend distribution to ordinary shareholders of the Bank	-	-	-	-	-	-	(20,043)	(20,043)
- Dividend distribution to preference shareholders	-	-	-	-	-	-	(1,428)	(1,428)
- Interest paid to holders of perpetual bonds	-	-	-	-	-	-	(2,406)	(2,406)
(v) Transfers within the owners' equity								
- Other comprehensive income transferred to retained earnings	-	-	-	314	-	-	(314)	-
As at 31 December 2025	55,645	104,948	97,956	(56)	74,099	115,210	338,415	786,217

62 Statements of financial position and changes in equity of the Bank (continued)

	Share capital	*Other equity instruments*	*Capital reserve*	*Other comprehensive income*	*Surplus reserve*	*General reserve*	*Retained earnings*	*Total equity*
As at 1 January 2024	48,967	118,060	61,790	1,867	60,992	101,140	290,804	683,620
(i) Profit for the year	-	-	-	-	-	-	66,372	66,372
(ii) Other comprehensive income	-	-	-	10,028	-	-	-	10,028
Total comprehensive income	-	-	-	10,028	-	-	66,372	76,400
(iii) Investor capital								
- Convertible corporate bonds converted into equity	5,430	(2,568)	29,897	-	-	-	-	32,759
- Issuance of perpetual bonds	-	30,000	(4)	-	-	-	-	29,996
- Redemption of perpetual bonds	-	(39,993)	(7)	-	-	-	-	(40,000)
(iv) Profit appropriations								
- Appropriations to surplus reserve	-	-	-	-	6,637	-	(6,637)	-
- Appropriations to general reserve	-	-	-	-	-	6,065	(6,065)	-
- Dividend distribution to ordinary shareholders of the Bank	-	-	-	-	-	-	(27,306)	(27,306)
- Dividend distribution to preference shareholders	-	-	-	-	-	-	(1,428)	(1,428)
- Interest paid to holders of perpetual bonds	-	-	-	-	-	-	(3,360)	(3,360)
As at 31 December 2024	54,397	105,499	91,676	11,895	67,629	107,205	312,380	750,681

63 Benefits and interests of directors and supervisors

(a) Relationship of related parties

For the year ended 31 December 2025

	Emoluments paid or receivable in respect of services as director or supervisor of the Group								
	Fees RMB'000	*Salary* RMB'000	*Discretionary bonuses* RMB'000	*Housing allowance* RMB'000	*Allowances and benefits in kind* RMB'000	*Employer's contribution to retirement benefit scheme* RMB'000	*Remunerations paid or receivable in respect of accepting office as director and supervisor* RMB'000	*Emoluments paid or receivable in respect of director or supervisor's other services in connection with the management of the affairs of the Group* RMB'000	*Total* RMB'000
Executive directors									
Fang Heying (Note (i))	-	-	-	-	-	-	-	-	-
Hu Gang	-	1,548	372	-	68	267	-	-	2,255
Non-executive directors									
Wei Qiang (Note (i))	-	-	-	-	-	-	-	-	-
Wang Yankang (Note (i))	-	-	-	-	-	-	-	-	-
Fu Yamin (Note (i))	-	-	-	-	-	-	-	-	-
Independent non- executive directors									
Liu Tsz Bun Bennett	310	-	-	-	-	-	-	-	310
Zhou Bowen	270	-	-	-	-	-	-	-	270
Wang Huacheng	300	-	-	-	-	-	-	-	300
Song FangXiu	280	-	-	-	-	-	-	-	280

63 Benefits and interests of directors and supervisors (continued)

	Emoluments paid or receivable in respect of services as director or supervisor of the Group								
	Fees RMB'000	*Salary* RMB'000	*Discretionary bonuses* RMB'000	*Housing allowance* RMB'000	*Allowances and benefits in kind* RMB'000	*Employer's contribution to retirement benefit scheme* RMB'000	*Remunerations paid or receivable in respect of accepting office as director and supervisor* RMB'000	*Emoluments paid or receivable in respect of director or supervisor's other services in connection with the management of the affairs of the Group* RMB'000	*Total* RMB'000
Former Directors and Supervisors									
Lu Wei (Note (ii))	-	1,500	500	-	49	221	-	-	2,270
Liu Cheng (Note (ii))	-	150	50	-	5	23	-	-	228
Cao Guoqiang (Note (ii))	-	-	-	-	-	-	-	-	-
Huang Fang (Note (ii))	-	-	-	-	-	-	-	-	-
Wei Guobin (Note (iii))	260	-	-	-	-	-	-	-	260
Sun Qi Xiang (Note (iii))	260	-	-	-	-	-	-	-	260
Li Rong (Note (iii))	-	431	810	-	68	267	-	-	1,576
Cheng Pusheng (Note (iii))	-	421	820	-	58	267	-	-	1,566
Zhang Chun (Note (iii))	-	339	801	-	68	267	-	-	1,475
Zeng Yufang (Note (iii))	-	344	580	-	75	240	-	-	1,239

63 Benefits and interests of directors and supervisors (continued)

For the year ended 31 December 2024

	Emoluments paid or receivable in respect of services as director or supervisor of the Group								
	Fees RMB'000	*Salary* RMB'000	*Discretionary bonuses* RMB'000	*Housing allowance* RMB'000	*Allowances and benefits in kind* RMB'000	*Employer's contribution to retirement benefit scheme* RMB'000	*Remunerations paid or receivable in respect of accepting office as director and supervisor* RMB'000	*Emoluments paid or receivable in respect of director or supervisor's other services in connection with the management of the affairs of the Group* RMB'000	*Total* RMB'000
Executive directors									
Fang Heying Note (i)	-	-	-	-	-	-	-	-	-
Liu Cheng	-	1,804	600	-	69	273	-	-	2,746
Hu Gang	-	1,548	372	-	69	273	-	-	2,262
Non-executive directors									
Cao Guoqiang Note (i)	-	-	-	-	-	-	-	-	-
Huang Fang Note (i)	-	-	-	-	-	-	-	-	-
Wang Yankang Note (i)	-	-	-	-	-	-	-	-	-
Independent non- executive directors									
Liu Tsz Bun Bennett	310	-	-	-	-	-	-	-	310
Zhou Bowen	270	-	-	-	-	-	-	-	270
Wang Huacheng	300	-	-	-	-	-	-	-	300
Song FangXiu	280	-	-	-	-	-	-	-	280

63 Benefits and interests of directors and supervisors (continued)

	Emoluments paid or receivable in respect of services as director or supervisor of the Group								
	Fees RMB'000	*Salary* RMB'000	*Discretionary bonuses* RMB'000	*Housing allowance* RMB'000	*Allowances and benefits in kind* RMB'000	*Employer's contribution to retirement benefit scheme* RMB'000	*Remunerations paid or receivable in respect of accepting office as director and supervisor* RMB'000	*Emoluments paid or receivable in respect of director or supervisor's other services in connection with the management of the affairs of the Group* RMB'000	*Total* RMB'000
Supervisors									
Wei Guobin	260	-	-	-	-	-	-	-	260
Sun Qi Xiang	260	-	-	-	-	-	-	-	260
Li Rong	-	434	810	-	69	273	-	-	1,586
Cheng Pusheng	-	424	820	-	69	273	-	-	1,586
Zeng Yufang	-	345	620	-	73	243	-	-	1,281
Zhang Chun	-	332	670	-	69	273	-	-	1,344
Former Directors and Supervisors									
Chen Panwu	-	33	60	-	23	23	-	-	139
Liu Guoling	257	-	-	-	-	-	-	-	257

63 Benefits and interests of directors and supervisors (continued)

Notes:

(i) Mr. Fang Heying, Mr. Wei Qiang, Mr. Fu Yamin and Mr. Wang Yankang did not receive any emoluments from the Bank in 2025. Their salary is borne by the main common shareholders of the Bank.Two of the four directors are appointed by CITIC Limited and CITIC Group ("Parent Companies"). Their emoluments were paid by the Parent Companies in 2025. The other two directors are appointed respectively by Quzhou Industrial Holding Group Co. Ltd and CNTC. Their emolument allocations are not disclosed due to the difficulty to apportion the services provided by the directors to the Bank.

(ii) Mr. Lu Wei resigned in December 2025, Mr. Liu Cheng resigned in February 2025, Mr. Cao Guoqiang resigned in April 2025 and Ms. Huang Fang resigned in August 2025.

(iii) From 16 December 2025, the Bank no longer maintain the Board of Supervisors according to the Articles of Association. Mr. Wei Guobin, Ms. Sun Qixiang, Ms. Li Rong, Mr. Cheng Pusheng, Mr. Zhang Chun and Ms. Zeng Yufang ceased to serve as supervisors.

(b) Other benefits and interests

No direct or indirect retirement benefits and termination benefits were paid to directors as at 31 December 2025 (as at December 2024: Nil).

For the year ended 31 December 2025 and 31 December 2024, the balance of loans and advances from the Group to Directors, Supervisors or certain controlled body corporates and connected entities of the Directors or Supervisors was not significant.

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year 2025 (2024: Nil).

64 Comparative figures

Certain comparative data has been restated to conform to the presentation of the current year.

China CITIC Bank Corporation Limited

(Incorporated in the People's Republic of China with Limited Liability)

Unaudited Supplementary Financial Information
For the year ended 31 December 2025

Unaudited supplementary financial information

(Expressed in millions of Renminbi unless otherwise stated)

The information set out below does not form part of the financial statements, and is included herein for information purposes only.

1 Difference between the financial report prepared under IFRS Accounting Standards and that prepared in accordance with PRC GAAP

China CITIC Bank Corporation Limited (the "Bank") prepares consolidated financial statements, which includes the financial statements of the Bank and its subsidiaries (collectively the "Group"), in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

As a financial institution incorporated in the People's Republic of China (the "PRC") and listed in the Shanghai Stock Exchange, the Group also prepares its consolidated financial statements for the year ended 31 December 2025 in accordance with the Accounting Standards for Business Enterprises and other relevant regulations issued by the regulatory bodies of the PRC (collectively "PRC GAAP").

There is no difference in the profit for the year ended 31 December 2025 or total equity as at 31 December 2025 between the Group's consolidated financial statements prepared in accordance with IFRS Accounting Standards and those prepared in accordance with PRC GAAP respectively.

2 Liquidity coverage ratio

	31 December 2025	*31 December 2024*
Liquidity coverage ratio	144.22%	218.13%

The liquidity coverage ratios were also in accordance with the Rules on Liquidity Risk Management of Commercial Banks issued by the NFRA and applicable calculation requirements, and based on the data determined under the PRC GAAP.

3 Currency concentrations

	31 December 2025			
	US Dollars	*HK Dollars*	*Others*	*Total*
Spot assets	373,646	221,978	83,610	679,234
Spot liabilities	(364,740)	(251,550)	(68,149)	(684,439)
Forward purchases	2,520,955	250,098	187,017	2,958,070
Forward sales	(2,513,440)	(228,295)	(203,121)	(2,944,856)
Options	(6,802)	5,027	389	(1,386)
Net long/(short) position	9,619	(2,742)	(254)	6,623

	31 December 2024			
	US Dollars	*HK Dollars*	*Others*	*Total*
Spot assets	379,012	213,774	55,510	648,296
Spot liabilities	(333,070)	(260,583)	(52,690)	(646,343)
Forward purchases	2,243,239	188,562	183,849	2,615,650
Forward sales	(2,275,451)	(145,746)	(187,167)	(2,608,364)
Options	(12,357)	2,712	1,207	(8,438)
Net long/(short) position	1,373	(1,281)	709	801

4 International claims

International claims are the sum of cross-border claims in all currencies and local claims in foreign currencies. The Group is principally engaged in business operations within Mainland China, and regards all the claims on third parties outside Mainland China as cross border claims.

International claims include balances with central banks, deposits with banks and non-bank financial institutions, placements with and loans to banks and non-bank financial institutions, financial investments, loans and advances to customers, financial assets held under resale agreements, etc.

International claims are disclosed based on different countries or regions. A country or region is reported where it constitutes 10% or more of the aggregate amount of international claims, after taking into account any risk transfers. Risk transfer is only made if the claims are guaranteed by a party in a country which is different from that of the counterparty or if the claims are on an overseas branch of a bank whose head office is located in another country.

	31 December 2025			
	Banks	*Official sector*	*Non-bank private sector*	*Total*
Asia Pacific excluding Mainland China	121,122	1,548	183,072	305,742
- of which attributed to Hong Kong	43,565	634	131,546	175,745
Europe	55,916	7,728	21,292	84,936
North and South America	50,298	29,789	30,457	110,544
Africa	-	4,805	3,369	8,174
Total	227,336	43,870	238,190	509,396

	31 December 2024			
	Banks	*Official sector*	*Non-bank private sector*	*Total*
Asia Pacific excluding Mainland China	100,574	632	168,973	270,179
- of which attributed to Hong Kong	46,535	314	115,036	161,885
Europe	27,694	4,512	30,795	63,001
North and South America	35,506	40,632	24,974	101,112
Africa	4	-	4,803	4,807
Other	1,040	-	-	1,040
Total	164,818	45,776	229,545	440,139

5 Overdue loans and advances to customers by geographical sectors

	31 December 2025		
	Gross loans and advances	*Loans and advances overdue over 3 months*	*Credit-impaired loans*
Yangtze River Delta	1,746,150	7,864	13,871
Bohai Rim (include Head Office)	1,399,571	13,935	20,773
Pearl River Delta and West Strait	847,259	7,934	8,968
Central	818,539	9,259	9,505
Western	734,236	8,064	9,671
Northeastern	82,593	564	622
Outside Mainland China	233,824	2,842	3,892
Accrued interest	23,887	-	1,076
Total	5,886,059	50,462	68,378

	31 December 2024		
	Gross loans and advances	*Loans and advances overdue over 3 months*	*Credit-impaired loans*
Yangtze River Delta	1,647,237	5,453	8,924
Bohai Rim (include Head Office)	1,455,154	14,902	19,462
Pearl River Delta and West Strait	812,116	8,375	10,504
Central	804,731	7,590	9,479
Western	696,388	7,845	14,540
Northeastern	84,343	1,238	1,450
Outside Mainland China	220,159	4,115	4,586
Accrued interest	21,715	-	793
Total	5,741,843	49,518	69,738

6 Gross overdue amounts due from banks and other financial institutions and overdue loans and advances to customers

(a) Gross overdue amounts due from banks and other financial institutions

As at 31 December 2025, the Group had no overdue amounts due from banks and other financial institutions (31 December 2024: Nil).

(b) Gross amounts of overdue loans and advances to customers

	31 December 2025	*31 December 2024*
Gross loans and advances to customers which have been overdue with respect to either principal or interest for periods of:		
- between 3 and 6 months	13,384	15,563
- between 6 and 12 months	13,703	13,833
- over 12 months	23,375	20,122
Total	50,462	49,518
As a percentage of total gross loans and advances to customers:		
- between 3 and 6 months	0.23%	0.27%
- between 6 and 12 months	0.23%	0.24%
- over 12 months	0.40%	0.35%
Total	0.86%	0.86%

The above analysis represents loans and advances overdue for more than 3 months as required by the Hong Kong Monetary Authority.

Loans and advances with a specific repayment date are classified as overdue when the principal or interest is overdue.

Loans and advances repayable on demand are classified as overdue when a demand for repayment has been served on the borrower but repayment has not been made in accordance with the instructions. If the loans and advances are repayable on demand which are outside the approved limit that was advised to the borrower, they are also considered as overdue.

6 Gross amount of overdue amounts due from banks and other financial institutions and overdue loans and advances to customers (continued)

As at 31 December 2025, the loans and advances to customers of RMB50,462 million of the above overdue loans and advances were credit-impaired (As at 31 December 2024, the loans and advances to customers of RMB49,518 million of the above overdue loans and advances were credit-impaired).

Loans and advances to customers overdue for more than 3 months:

	31 December 2025	*31 December 2024*
Secured portion	26,721	24,529
Unsecured portion	23,741	24,989
Total	50,462	49,518
Allowance for impairment losses	(28,891)	(35,236)
Net balance	21,571	14,282
Maximum exposure covered by pledge and collateral held	28,712	31,441

The fair value of collateral was estimated by management based on the latest revaluation including available external valuation, if any, adjusted by taking into account the current realisation experience as well as market situation.

7 Non-bank Mainland China exposures

The Bank is a commercial bank incorporated in the Mainland China with its banking business primarily conducted in Mainland China. As of 31 December 2025, the majority of the Bank's non-bank exposures arose from businesses with Mainland China entities or individuals. Analyses of various types of exposures by counterparties have been disclosed in the notes to the consolidated financial statements.