

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



中國工商銀行股份有限公司  
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED  
(a joint stock limited company incorporated in the People's Republic of China with limited liability)  
Stock Code: 1398

## 2025 Annual Results Announcement

The Board of Directors of Industrial and Commercial Bank of China Limited (the “Bank”) announces the annual audited results of the Bank and its subsidiaries for the year ended 31 December 2025. The Board of Directors and the Audit Committee of the Board of Directors of the Bank have reviewed and confirmed the audited annual results.

### 1. Corporate Information

#### 1.1 Basic Information

	Stock name	Stock code	Stock exchange on which shares are listed
A Share	工商銀行	601398	Shanghai Stock Exchange
H Share	ICBC	1398	The Stock Exchange of Hong Kong Limited
Domestic Preference Share	工行優 1 工行優 2	360011 360036	Shanghai Stock Exchange

#### 1.2 Contact

##### Board Secretary and Company Secretary

Name	Tian Fenglin
Address	55 Fuxingmennei Avenue, Xicheng District, Beijing, China
Telephone	86-10-66108608
Facsimile	86-10-66107420
E-mail	ir@icbc.com.cn

## 2. Financial Highlights

Financial data and indicators in this Results Announcement are prepared in accordance with International Financial Reporting Standards (“IFRSs”) and, unless otherwise specified, are consolidated amounts of the Bank and its subsidiaries and denominated in Renminbi.

### 2.1 Financial Data

	2025	2024	2023	2022	2021
<b>Annual operating results (in RMB millions)</b>					
Net interest income	635,126	637,405	655,013	691,985	690,680
Net fee and commission income	111,171	109,397	119,357	129,325	133,024
Operating income	801,395	786,126	806,458	842,352	860,880
Operating expenses	246,874	242,155	238,698	239,351	236,227
Impairment losses on assets <sup>(1)</sup>	134,860	126,663	150,816	182,677	202,623
Operating profit	419,661	417,308	416,944	420,324	422,030
Profit before taxation	424,435	421,827	421,966	424,720	424,899
Net profit	370,766	366,946	365,116	362,110	350,216
Net profit attributable to equity holders of the parent company	368,562	365,863	363,993	361,132	348,338
Net cash flows from operating activities	1,890,530	579,194	1,417,002	1,404,657	360,882
<b>As at the end of reporting period (in RMB millions)</b>					
Total assets	53,477,773	48,821,746	44,697,079	39,610,146	35,171,383
Total loans and advances to customers	30,506,114	28,372,229	26,086,482	23,210,376	20,667,245
Corporate loans	18,841,671	17,482,223	16,145,204	13,826,966	12,194,706
Personal loans	9,002,636	8,957,720	8,653,621	8,234,625	7,944,781
Discounted bills	2,661,807	1,932,286	1,287,657	1,148,785	527,758
Allowance for impairment losses on loans <sup>(2)</sup>	852,274	815,497	756,391	672,762	603,983
Investment	16,907,415	14,153,576	11,849,668	10,533,702	9,257,760
Total liabilities	49,205,749	44,834,480	40,920,491	36,094,727	31,896,125
Due to customers	37,311,778	34,836,973	33,521,174	29,870,491	26,441,774
Corporate deposits	16,350,593	15,507,405	16,209,928	14,671,154	13,331,463
Personal deposits	20,204,619	18,541,510	16,565,568	14,545,306	12,497,968
Other deposits	251,921	228,721	210,185	199,465	250,349
Accrued interest	504,645	559,337	535,493	454,566	361,994
Due to banks and other financial institutions	5,103,247	4,590,965	3,369,858	3,187,712	2,921,029
Equity attributable to equity holders of the parent company	4,244,259	3,969,841	3,756,887	3,496,109	3,257,755
Share capital	356,407	356,407	356,407	356,407	356,407
Net common equity tier 1 capital <sup>(3)</sup>	3,837,149	3,624,342	3,381,941	3,121,080	2,886,378
Net tier 1 capital <sup>(3)</sup>	4,222,676	3,949,453	3,736,919	3,475,995	3,241,364
Net capital base <sup>(3)</sup>	5,302,796	4,986,531	4,707,100	4,281,079	3,909,669
Risk-weighted assets <sup>(3)</sup>	28,269,948	25,710,855	24,641,631	22,225,272	21,690,349

	2025	2024	2023	2022	2021
<b>Per share data (in RMB yuan)</b>					
Net asset value per share <sup>(4)</sup>	10.83	10.23	9.55	8.82	8.15
Basic earnings per share <sup>(5)</sup>	1.00	0.98	0.98	0.97	0.95
Diluted earnings per share <sup>(5)</sup>	1.00	0.98	0.98	0.97	0.95
	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Credit rating</b>					
S&P <sup>(6)</sup>	A	A	A	A	A
Moody's <sup>(6)</sup>	A1	A1	A1	A1	A1

- Notes: (1) Calculated by adding credit impairment losses and impairment losses on other assets.
- (2) Calculated by adding allowance for impairment losses on loans and advances to customers measured at amortised cost with allowance for impairment losses on loans and advances to customers measured at fair value through other comprehensive income.
- (3) Calculated in accordance with the Rules on Capital Management of Commercial Banks as at the end of 2025 and for the comparable period of 2024. Calculated in accordance with the Rules on Capital Management of Commercial Banks (Provisional) for the comparable periods of 2023, 2022 and 2021.
- (4) Calculated by dividing equity attributable to equity holders of the parent company after deduction of other equity instruments at the end of the reporting period by the total number of ordinary shares at the end of the reporting period.
- (5) Calculated in accordance with the Rules for the Compilation and Submission of Information Disclosure by Companies that Offer Securities to the Public No. 9 — Calculation and Disclosure of Return on Net Assets and Earnings per Share (Revision 2010) issued by the CSRC.
- (6) The rating results are in the form of “long-term foreign currency deposits rating”.

## 2.2 Financial Indicators

	2025	2024	2023	2022	2021
<b>Profitability (%)</b>					
Return on average total assets <sup>(1)</sup>	0.72	0.78	0.87	0.97	1.02
Return on weighted average equity <sup>(2)</sup>	9.45	9.88	10.66	11.45	12.15
Net interest spread <sup>(3)</sup>	1.15	1.23	1.41	1.72	1.92
Net interest margin <sup>(4)</sup>	1.28	1.42	1.61	1.92	2.11
Return on risk-weighted assets <sup>(5)</sup>	1.37	1.46	1.56	1.65	1.68
Ratio of net fee and commission income to operating income	13.87	13.92	14.80	15.35	15.45
Cost-to-income ratio <sup>(6)</sup>	29.48	29.43	28.28	27.22	26.36
<b>Asset quality (%)</b>					
Non-performing loans (“NPLs”) ratio <sup>(7)</sup>	1.31	1.34	1.36	1.38	1.42
Allowance to NPLs <sup>(8)</sup>	213.60	214.91	213.97	209.47	205.84
Allowance to total loans ratio <sup>(9)</sup>	2.79	2.87	2.90	2.90	2.92
<b>Capital adequacy (%)</b>					
Common equity tier 1 capital adequacy ratio <sup>(10)</sup>	13.57	14.10	13.72	14.04	13.31
Tier 1 capital adequacy ratio <sup>(10)</sup>	14.94	15.36	15.17	15.64	14.94
Capital adequacy ratio <sup>(10)</sup>	18.76	19.39	19.10	19.26	18.02
Total equity to total assets ratio	7.99	8.17	8.45	8.88	9.31
Risk-weighted assets to total assets ratio	52.86	52.66	55.13	56.11	61.67

Notes: (1) Calculated by dividing net profit by the average balance of total assets at the beginning and at the end of the reporting period.

(2) Calculated in accordance with the Rules for the Compilation and Submission of Information Disclosure by Companies that Offer Securities to the Public No. 9 — Calculation and Disclosure of Return on Net Assets and Earnings per Share (Revision 2010) issued by the CSRC.

(3) Calculated as the spread between average yield on interest-generating assets and average cost of interest-bearing liabilities.

(4) Calculated by dividing net interest income by the average balance of interest-generating assets.

(5) Calculated by dividing net profit by the average balance of risk-weighted assets at the beginning and at the end of the reporting period.

(6) Calculated by dividing operating expenses (less taxes and surcharges) by operating income.

(7) Calculated by dividing the balance of NPLs by total balance of loans and advances to customers.

(8) Calculated by dividing allowance for impairment losses on loans by total balance of NPLs.

(9) Calculated by dividing allowance for impairment losses on loans by total balance of loans and advances to customers.

(10) Calculated in accordance with the Rules on Capital Management of Commercial Banks as at the end of 2025 and for the comparable period of 2024. Calculated in accordance with the Rules on Capital Management of Commercial Banks (Provisional) for the comparable periods of 2023, 2022 and 2021.

## 2.3 Quarterly Financial Data

	2025			
	Q1	Q2	Q3	Q4
(In RMB millions)				
Operating income	204,688	204,394	201,886	190,427
Net profit attributable to equity holders of the parent company	84,156	83,947	101,805	98,654
Net cash flows from operating activities	942,479	(156,162)	762,890	341,323

	2024			
	Q1	Q2	Q3	Q4
(In RMB millions)				
Operating income	210,165	191,834	197,108	187,019
Net profit attributable to equity holders of the parent company	87,653	82,814	98,558	96,838
Net cash flows from operating activities	1,367,252	(1,340,269)	1,050,265	(498,054)

## 2.4 Reconciliation of Differences between the Financial Statements Prepared under PRC GAAP and Those under IFRSs

In respect of the financial statements of the Bank prepared under PRC GAAP and those under IFRSs, net profit attributable to equity holders of the parent company for the year ended 31 December 2025 and equity attributable to equity holders of the parent company as at the end of the reporting period have no differences.

## 3. Business Review

The year 2025 marks the end of the 14<sup>th</sup> Five-Year Plan. Over the past year, guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Bank has adhered to the guidance of the Party building theory and the development path of the “five transformations”. It made concerted efforts and took solid steps to accomplish the business objectives and tasks assigned by the Board of Directors with high quality. Our operation has demonstrated an innovation-driven and quality-oriented momentum, marking a meaningful note to the implementation of the 14<sup>th</sup> Five-Year Plan. As at the end of 2025, the Group’s total assets stood at RMB53.48 trillion, representing an increase of 9.5%; net profit was RMB370,766 million, operating income was RMB801,395 million, and net fee and commission income was RMB111,171 million. All three core profitability indicators achieved positive growth simultaneously, and the endogenous momentum of the income structure saw a systematic improvement. By examining our operating figures through the market, we have come to realize more profoundly that to operate the modern commercial bank successfully, we must anchor value creation more deeply and firmly.

## **Calibrating the Profit Equation to Seek Optimal Solutions amid Variable Restructuring**

Operating income serves as the primary yardstick for measuring the performance of commercial banks. Over the past year, we consistently conveyed the requirement that stabilizing revenue hinges on stabilizing net interest margin (“NIM”). We attached importance to balancing costs and returns, strengthened the value connotation of profitable assets and liabilities, and guided the Bank to build a solid and robust balance sheet.

In asset allocation, we aligned our credit structure with the industrial and demand structures of the state and regions, targeting our efforts to serve the real economy. The Group’s total loans and advances to customers reached RMB30.5 trillion, representing an increase of 7.5%. Support for key fields including the “Five Priorities” of technology finance, green finance, inclusive finance, pension finance and digital finance continued to grow, with loans to manufacturing, inclusive finance, and sci-tech innovation rising by 19.4%, 22.8%, and 19.9%, respectively. In liability operations, we opposed “rat race” competition, remained firm in refraining from “price wars”, and steadily promoted sustainable growth in deposits. The average cost of deposits stood at 1.36%, down by 36 basis points, effectively offsetting downward pressure on loan yields and significantly narrowing the decline in NIM. Personal financial assets under management amounted to RMB25.37 trillion, with a growth rate leading the market.

## **Expanding the Growth Frontier to Chart a New Course of Development with Global Operations and Integrated Services**

If domestic branches represent the “core production zone” that delivers stable and sustained impetus for the Group’s development, then global operations and integrated services are our newly pioneered “growth poles”, injecting additional momentum to address the constraints of low interest margins and forge value resilience that transcends economic cycles.

To advance RMB internationalization, ICBC has deeply integrated into the global financial landscape. The Bank has been authorized to serve as the RMB clearing bank in Türkiye, bringing the total number of our RMB clearing banks to 12. The “ICBC e Trade” service system for new forms of foreign trade was established to support cross-border e-commerce collection for small and micro enterprises through collaboration between domestic and overseas branches; annual cross-border RMB business volume exceeded RMB10 trillion. We energetically advanced integrated services, accelerated the development of wealth management, asset custody, investment banking, financial markets and other emerging businesses, and explored comprehensive financial solutions. We introduced the institution-specific planning and dashboard to strengthen the strategy management, and continued to unlock the value multiplier effect across all business segments. The Group’s overseas institutions and domestic subsidiaries accounted for 10.1% of total operating income, representing an increase of 0.5 percentage points. A multi-pillar, matrix-driven growth structure has gradually taken shape.

## **Focusing on Asset Quality to Establish a Stable Anchor for Value Creation**

The growth of operating income determines how fast a bank can run, while asset quality determines how far it can go in the long run. We firmly implemented the holistic view of national security, continuously improved the enterprise risk management system, and enhanced security through development while pursuing development on a secure basis. We strengthened direct management of risky assets, comprehensively aligned with the financing coordination mechanism for urban real estate and work arrangements for ensuring housing delivery, and supported key provinces in defusing debt risks through province-specific strategies. The Bank recorded an NPL ratio of 1.31%, down by 3 basis points, an allowance to NPLs of 213.60%, and a capital adequacy ratio of 18.76%, reflecting sufficient risk resilience. Drawing on advanced international experience, we accelerated the development of a compliance center for preventing financial crimes, and continuously enhanced our anti-money laundering capabilities.

The ultimate goal of risk management is to protect the interests of customers. We advanced the development of a “Greater Consumer Protection” system in depth. The number of personal customer complaints dropped by 22.60%, reaching the lowest level in recent years. We promoted precise anti-fraud measures and swift account unlocking to effectively safeguard people’s money. Unwavering prudence and resolve have enabled us to embark on a new journey with greater composure.

Looking back at the 14<sup>th</sup> Five-Year Plan period, every step ICBC has taken responds to the same proposition: to run the marathon of banking operations well in a complex environment. Externally, we consolidated our leading position, pursued progress while ensuring stability, promoted stability through progress, and maintained a rational growth pace and efficiency. Internally, we explored a management model where business lines take primary responsibility for construction, branches take primary responsibility for operations, and both share accountability, directing more incentives and resources to the front office, grassroots and frontlines. These efforts have evolved into a clear consensus: advancing the high-quality development solidly is not simply to pursue scale expansion, but to highlight customer demand as an orientation, create value through services, and enhance our competitiveness.

Looking ahead to the 15<sup>th</sup> Five-Year Plan period, the Party Central Committee has outlined grand blueprints including building a financial powerhouse. The Bank's Party Committee and the Board of Directors have laid out strategic plans, setting the course for our development in the next five years. With goals set, confidence is assured. The task of the Management is to act as a good doer, executor and pragmatist, get every necessary task done solidly and properly, and provide the market with the most straightforward and powerful response.

**We adhered to serving the broadest customer base and offering a full spectrum of products.** Serving the broadest customer base requires targeted business strategies and service solutions for each customer group. Offering a full spectrum of products calls for a comprehensive and dynamic product factory, targeting untapped blue-ocean areas, and proactively aligning with market demand. When products and customers are precisely matched, incremental growth potential will naturally emerge. The market is the truest measure of value creation. Only by looking outward and dynamically calibrating our assessment can we develop the right products, deliver targeted services, and measure performance accurately.

**We upheld closed-loop management and scientific quantification.** We let true data speak, conducted sound input-output analysis, and carried out continuous post-implementation evaluations to form a complete accountability chain from decision-making to execution, and from implementation to feedback. Every task is unified with a clear timetable, concrete deliverables and responsible persons, making performance indicators traceable, decomposable and verifiable, so as to clearly define the boundaries of rights and responsibilities. We believe, with the wider and deeper application of digital technologies, we will realize more accurate and stronger objectives and implementation, and implement the requirements of high-quality development on a more substantial and solid basis.

In 2026, we will stay focused on our goals, act with dedication, and steadfastly follow the path of financial development with Chinese characteristics. With more professional services and higher-quality development outcomes, we will deliver sustainable returns to shareholders and make greater contributions to the high-quality development of China's financial industry.

## 4. Discussion and Analysis

### 4.1 Financial Statements Analysis

#### 4.1.1 Income Statement Analysis

In 2025, the Bank adhered to the general working principle of seeking progress while maintaining stability and promoting stability through progress, and fully and faithfully applied the new development philosophy on all fronts. Focusing on the major financial tasks of guarding against risks, strengthening supervision and promoting high-quality development, the Bank promoted its own high-quality development while serving the Chinese economy to sustain the momentum of recovery and growth. In the year, the Bank realized a net profit of RMB370,766 million, representing an increase of RMB3,820 million or 1.0% as compared to the previous year. Return on average total assets stood at 0.72%, and return on weighted average equity was 9.45%. Operating income amounted to RMB801,395 million, representing an increase of 1.9%. Specifically, net interest income decreased by 0.4% to RMB635,126 million; non-interest income was RMB166,269 million, up by 11.8%. Operating expenses amounted to RMB246,874 million, representing an increase of 1.9%, and the cost-to-income ratio was 29.48%. Impairment losses on assets were RMB134,860 million, representing an increase of 6.5%. Income tax expense decreased by 2.2% to RMB53,669 million.

#### CHANGES OF KEY INCOME STATEMENT ITEMS

In RMB millions, except for percentages

Item	2025	2024	Increase/ (decrease)	Growth rate (%)
Net interest income	635,126	637,405	(2,279)	(0.4)
Non-interest income	166,269	148,721	17,548	11.8
Operating income	801,395	786,126	15,269	1.9
Less: Operating expenses	246,874	242,155	4,719	1.9
Credit impairment losses	132,973	125,739	7,234	5.8
Impairment losses on other assets	1,887	924	963	104.2
Operating profit	419,661	417,308	2,353	0.6
Share of results of associates and joint ventures	4,774	4,519	255	5.6
Profit before taxation	424,435	421,827	2,608	0.6
Less: Income tax expense	53,669	54,881	(1,212)	(2.2)
Net profit	370,766	366,946	3,820	1.0
Attributable to: Equity holders of the parent company	368,562	365,863	2,699	0.7
Non-controlling interests	2,204	1,083	1,121	103.5

## Net Interest Income

In 2025, net interest income was RMB635,126 million, RMB2,279 million or 0.4% lower than that of last year, accounting for 79.3% of the Bank's operating income. Interest income decreased by RMB96,117 million or 6.7% to RMB1,331,831 million and interest expenses decreased by RMB93,838 million or 11.9% to RMB696,705 million. Affected by factors such as reduction in the LPR and changes in the structure of deposit maturities, net interest spread and net interest margin ("NIM") were 1.15% and 1.28%, respectively, down 8 basis points and 14 basis points respectively from the previous year.

### AVERAGE YIELD OF INTEREST-GENERATING ASSETS AND AVERAGE COST OF INTEREST-BEARING LIABILITIES

In RMB millions, except for percentages

Item	2025			2024		
	Average balance	Interest income/expense	Average yield/cost (%)	Average balance	Interest income/expense	Average yield/cost (%)
<b>Assets</b>						
Loans and advances to customers	29,873,346	838,983	2.81	27,599,928	937,938	3.40
Investment	14,366,029	387,636	2.70	11,723,126	365,208	3.12
Due from central banks <sup>(2)</sup>	3,079,744	50,580	1.64	3,161,419	54,174	1.71
Due from banks and other financial institutions <sup>(3)</sup>	2,411,394	54,632	2.27	2,496,488	70,628	2.83
<b>Total interest-generating assets</b>	<b>49,730,513</b>	<b>1,331,831</b>	<b>2.68</b>	<b>44,980,961</b>	<b>1,427,948</b>	<b>3.17</b>
Non-interest-generating assets	3,067,850			2,757,010		
Allowance for impairment losses on assets	(900,467)			(853,348)		
<b>Total assets</b>	<b>51,897,896</b>			<b>46,884,623</b>		
<b>Liabilities</b>						
Deposits	34,957,515	474,363	1.36	32,745,057	564,039	1.72
Due to banks and other financial institutions <sup>(3)</sup>	7,618,551	146,721	1.93	5,937,956	156,622	2.64
Debt securities and certificates of deposit issued	2,843,375	75,621	2.66	2,070,321	69,882	3.38
<b>Total interest-bearing liabilities</b>	<b>45,419,441</b>	<b>696,705</b>	<b>1.53</b>	<b>40,753,334</b>	<b>790,543</b>	<b>1.94</b>
Non-interest-bearing liabilities	2,344,036			2,168,164		
<b>Total liabilities</b>	<b>47,763,477</b>			<b>42,921,498</b>		
<b>Net interest income</b>		<b>635,126</b>			<b>637,405</b>	
<b>Net interest spread</b>			<b>1.15</b>			<b>1.23</b>
<b>Net interest margin</b>			<b>1.28</b>			<b>1.42</b>

Notes: (1) The average balances of interest-generating assets and interest-bearing liabilities represent their daily average balances. The average balances of non-interest-generating assets, non-interest-bearing liabilities and the allowance for impairment losses on assets represent the average of the balances at the beginning of the year and at the end of the year.

(2) Due from central banks mainly includes mandatory reserves and surplus reserves with central banks.

(3) Due from banks and other financial institutions includes the amount of reverse repurchase agreements, and due to banks and other financial institutions includes the amount of repurchase agreements.

## ANALYSIS OF CHANGES IN INTEREST INCOME AND EXPENSE

In RMB millions

Item	Comparison between 2025 and 2024		
	Increase/(decrease) due to		Net increase/ (decrease)
	Volume	Interest rate	
<b>Assets</b>			
Loans and advances to customers	63,885	(162,840)	(98,955)
Investment	71,665	(49,237)	22,428
Due from central banks	(1,381)	(2,213)	(3,594)
Due from banks and other financial institutions	(2,016)	(13,980)	(15,996)
<b>Changes in interest income</b>	<b>132,153</b>	<b>(228,270)</b>	<b>(96,117)</b>
<b>Liabilities</b>			
Deposits	28,206	(117,882)	(89,676)
Due to banks and other financial institutions	32,258	(42,159)	(9,901)
Debt securities and certificates of deposit issued	20,645	(14,906)	5,739
<b>Changes in interest expenses</b>	<b>81,109</b>	<b>(174,947)</b>	<b>(93,838)</b>
<b>Changes in net interest income</b>	<b>51,044</b>	<b>(53,323)</b>	<b>(2,279)</b>

Note: Changes in volume are measured by the changes in average balances, while the changes in interest rate are measured by the changes in average interest rates. Changes resulted from the combination of volume and interest rate have been allocated to the changes resulted from business volume.

### Interest Income

#### ◆ Interest Income on Loans and Advances to Customers

Interest income on loans and advances to customers was RMB838,983 million, RMB98,955 million or 10.6% lower as compared to that of last year, mainly due to the decrease of 59 basis points in the average yield of loans and advances to customers, and the increase of 8.2% in the average balance partially offset the effect of yield decrease.

### ANALYSIS OF THE AVERAGE YIELD OF LOANS AND ADVANCES TO CUSTOMERS BY MATURITY STRUCTURE

In RMB millions, except for percentages

Item	2025		2024			
	Average balance	Interest income	Average yield (%)	Average balance	Interest income	Average yield (%)
Short-term loans	7,784,541	168,358	2.16	6,553,251	178,067	2.72
Medium to long-term loans	22,088,805	670,625	3.04	21,046,677	759,871	3.61
<b>Total loans and advances to customers</b>	<b>29,873,346</b>	<b>838,983</b>	<b>2.81</b>	<b>27,599,928</b>	<b>937,938</b>	<b>3.40</b>

## ANALYSIS OF THE AVERAGE YIELD OF LOANS AND ADVANCES TO CUSTOMERS BY BUSINESS LINE

In RMB millions, except for percentages

Item	2025			2024		
	Average balance	Interest income	Average yield (%)	Average balance	Interest income	Average yield (%)
Corporate loans	17,455,247	491,203	2.81	16,213,330	528,356	3.26
Discounted bills	2,296,619	20,404	0.89	1,516,543	18,516	1.22
Personal loans	8,839,052	264,693	2.99	8,597,971	314,074	3.65
Overseas business	1,282,428	62,683	4.89	1,272,084	76,992	6.05
<b>Total loans and advances to customers</b>	<b>29,873,346</b>	<b>838,983</b>	<b>2.81</b>	<b>27,599,928</b>	<b>937,938</b>	<b>3.40</b>

### ◆ Interest Income on Investment

Interest income on investment amounted to RMB387,636 million, representing an increase of RMB22,428 million or 6.1% as compared to that of last year, mainly due to the increase of 22.5% in the average balance of investment, and the decrease of 42 basis points in the average yield partially offset the effect of scale growth.

### ◆ Interest Income on Due from Central Banks

Interest income on due from central banks was RMB50,580 million, representing a decrease of RMB3,594 million or 6.6% as compared to that of last year.

### ◆ Interest Income on Due from Banks and Other Financial Institutions

Interest income on due from banks and other financial institutions was RMB54,632 million, representing a decrease of RMB15,996 million or 22.6% as compared to that of last year, primarily due to the decrease in the average yield of lending funds.

## Interest Expense

### ◆ Interest Expense on Deposits

Interest expense on deposits amounted to RMB474,363 million, representing a decrease of RMB89,676 million or 15.9% over the previous year, primarily due to the decrease of 36 basis points in the average cost. The Bank continued to standardize interest expense management, and improved the implementation effects of interest rate self-regulation initiatives, aligning deposit rate adjustments with monetary policy shifts to achieve a steady decline in interest payment costs.

## ANALYSIS OF AVERAGE DEPOSIT COST BY PRODUCTS

In RMB millions, except for percentages

Item	2025		2024			
	Average balance	Interest expense	Average cost (%)	Average balance	Interest expense	Average cost (%)
<b>Corporate deposits</b>						
Time deposits	7,956,467	142,987	1.80	7,836,374	181,905	2.32
Demand deposits	6,774,157	38,225	0.56	6,762,187	60,071	0.89
<b>Subtotal</b>	<b>14,730,624</b>	<b>181,212</b>	<b>1.23</b>	<b>14,598,561</b>	<b>241,976</b>	<b>1.66</b>
<b>Personal deposits</b>						
Time deposits	12,522,289	251,399	2.01	10,994,438	261,960	2.38
Demand deposits	6,449,510	4,038	0.06	6,004,057	10,333	0.17
<b>Subtotal</b>	<b>18,971,799</b>	<b>255,437</b>	<b>1.35</b>	<b>16,998,495</b>	<b>272,293</b>	<b>1.60</b>
<b>Overseas business</b>	<b>1,255,092</b>	<b>37,714</b>	<b>3.00</b>	<b>1,148,001</b>	<b>49,770</b>	<b>4.34</b>
<b>Total deposits</b>	<b>34,957,515</b>	<b>474,363</b>	<b>1.36</b>	<b>32,745,057</b>	<b>564,039</b>	<b>1.72</b>

### ◆ Interest Expense on Due to Banks and Other Financial Institutions

Interest expense on due to banks and other financial institutions was RMB146,721 million, RMB9,901 million or 6.3% lower than that of last year, principally attributable to the decrease in the average cost of borrowing funds.

### ◆ Interest Expense on Debt Securities and Certificates of Deposit Issued

Interest expense on debt securities and certificates of deposits issued was RMB75,621 million, indicating an increase of RMB5,739 million or 8.2% over last year, mainly due to the increased scale of the negotiable certificates of deposit (“NCDs”).

## Non-interest Income

In 2025, non-interest income was RMB166,269 million, which was RMB17,548 million or 11.8% higher than that of last year, accounting for 20.7% of the operating income. Specifically, net fee and commission income increased by RMB1,774 million or 1.6% to RMB111,171 million, and other non-interest related gains rose by RMB15,774 million or 40.1% to RMB55,098 million.

## NET FEE AND COMMISSION INCOME

In RMB millions, except for percentages

Item	2025	2024	Increase/ (decrease)	Growth rate (%)
Settlement, clearing business and cash management	42,376	42,755	(379)	(0.9)
Personal wealth management and private banking services	19,176	17,880	1,296	7.2
Investment banking business	18,815	19,724	(909)	(4.6)
Bank card business	16,557	17,853	(1,296)	(7.3)
Corporate wealth management services	12,955	10,850	2,105	19.4
Asset custody business	8,180	8,045	135	1.7
Guarantee and commitment business	3,173	4,185	(1,012)	(24.2)
Trust and agency services	2,008	2,019	(11)	(0.5)
Others	3,482	2,866	616	21.5
<b>Fee and commission income</b>	<b>126,722</b>	<b>126,177</b>	<b>545</b>	<b>0.4</b>
<b>Less: Fee and commission expense</b>	<b>15,551</b>	<b>16,780</b>	<b>(1,229)</b>	<b>(7.3)</b>
<b>Net fee and commission income</b>	<b>111,171</b>	<b>109,397</b>	<b>1,774</b>	<b>1.6</b>

The Bank's net fee and commission income was RMB111,171 million, representing an increase of RMB1,774 million or 1.6% over last year. The increase in income from corporate wealth management, personal wealth management and private banking services was mainly because the Bank increased income from businesses such as agency precious metals, agency fund, agency wealth management and agency securities by actively seizing market opportunities. The increase in income from asset custody business was mainly because of the solid growth in assets under custody resulted from the Bank's business expansion. The increase in other income was mainly due to the sound growth in pension business. Affected by external factors such as market environment changes, income from bank card and investment banking businesses decreased. The Bank's proactive adjustment to lower fee rates for guarantee and commitment business resulted in a decline in relevant product income. Fee and commission expense declined by RMB1,229 million, principally due to a reduction in acquiring fees.

## OTHER NON-INTEREST RELATED GAINS

In RMB millions, except for percentages

Item	2025	2024	Increase/ (decrease)	Growth rate (%)
Net trading income	18,510	19,440	(930)	(4.8)
Net gains on financial investments	34,806	22,961	11,845	51.6
Other operating income/(expense), net	1,782	(3,077)	4,859	N/A
<b>Total</b>	<b>55,098</b>	<b>39,324</b>	<b>15,774</b>	<b>40.1</b>

Other non-interest related gains amounted to RMB55,098 million, RMB15,774 million or 40.1% higher than that of the previous year. Among these, the decrease in net trading income was mainly due to the decrease in unrealised gains on trading bond investment, the increase in net gains on financial investments was primarily because of the Bank’s seizing market opportunities to achieve increase in realised gains on bond investment, while the change in other net operating income was mainly because of the decrease in net losses on exchange and exchange rate products.

## Operating Expenses

In RMB millions, except for percentages

Item	2025	2024	Increase/ (decrease)	Growth rate (%)
Staff costs	146,449	144,554	1,895	1.3
Property and equipment expenses	27,404	27,274	130	0.5
Taxes and surcharges	10,658	10,765	(107)	(1.0)
Amortisation	5,468	5,157	311	6.0
Others	56,895	54,405	2,490	4.6
<b>Total</b>	<b>246,874</b>	<b>242,155</b>	<b>4,719</b>	<b>1.9</b>

## Impairment Losses

The Bank’s credit impairment losses amounted to RMB132,973 million, indicating an increase of RMB7,234 million or 5.8% as compared to that of last year. Specifically, the impairment losses on loans were RMB149,620 million, indicating an increase of RMB27,141 million or 22.2%. Impairment losses on other assets were RMB1,887 million, indicating an increase of RMB963 million or 104.2%. Please refer to “Note 14. to the Consolidated Financial Statements: Credit Impairment Losses; Note 30. to the Consolidated Financial Statements: Impairment Allowance” for details.

## Income Tax Expense

Income tax expense decreased by RMB1,212 million or 2.2% to RMB53,669 million as compared to the previous year. The effective tax rate stood at 12.64%, lower than the statutory tax rate of 25%, primarily because the interest income on Chinese government bonds and local government bonds was exempted from tax under the relevant tax law.

## Summary of Geographical Segment Information

In RMB millions, except for percentages

Item	2025		2024	
	Amount	Percentage (%)	Amount	Percentage (%)
<b>Operating income</b>	<b>801,395</b>	<b>100.0</b>	<b>786,126</b>	<b>100.0</b>
Head Office	49,437	6.1	23,610	3.0
Yangtze River Delta	150,041	18.7	151,491	19.3
Pearl River Delta	97,629	12.2	105,074	13.4
Bohai Rim	168,163	21.0	163,709	20.8
Central China	107,481	13.4	111,541	14.2
Western China	119,973	15.0	124,922	15.9
Northeastern China	27,854	3.5	29,793	3.8
Overseas and others	80,955	10.1	76,019	9.6
Eliminations	(138)	(0.0)	(33)	(0.0)
<b>Profit before taxation</b>	<b>424,435</b>	<b>100.0</b>	<b>421,827</b>	<b>100.0</b>
Head Office	64,559	15.2	32,139	7.6
Yangtze River Delta	83,829	19.7	80,715	19.1
Pearl River Delta	24,439	5.8	43,876	10.4
Bohai Rim	103,411	24.4	102,730	24.4
Central China	47,750	11.2	49,374	11.7
Western China	54,131	12.8	55,680	13.2
Northeastern China	8,745	2.1	11,054	2.6
Overseas and others	37,571	8.8	46,259	11.0
Eliminations	–	–	–	–

Note: Please see “Note 49. to the Consolidated Financial Statements: Segment Information” for details.

### 4.1.2 Balance Sheet Analysis

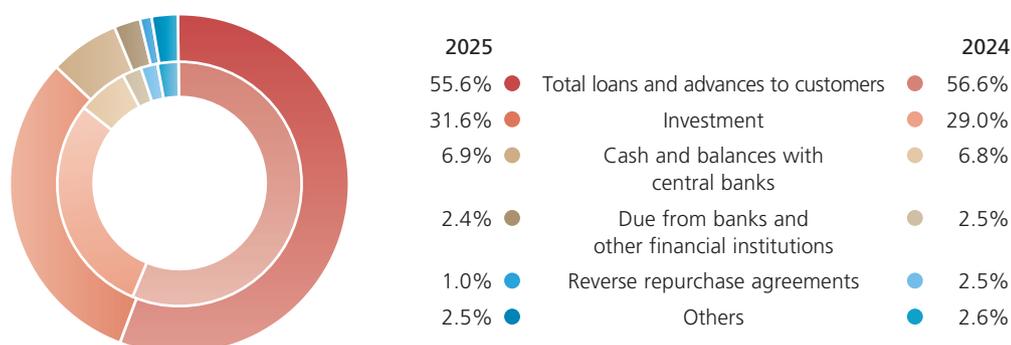
In 2025, the Bank earnestly implemented the macroeconomic and financial policies and regulatory requirements, made efforts to build a clean and healthy balance sheet by dynamically optimizing the total volume and the strategic structure of the assets and liabilities, advanced the “five transformations”, and strove to achieve a dynamic balance of value creation, market position, risk control and capital constraints.

The Bank adhered to the integrated development strategy of investment and financing, and supported the high-quality economic development by focusing on the modern layout. Moreover, the Bank refined and deepened the “Five Priorities” of technology finance, green finance, inclusive finance, pension finance and digital finance, and intensified support for key fields and weak links of the real economy. The Bank enhanced the diversification of liabilities, continued to promote the GBC+ projects, and consolidated the growth basis for due to customers, so that its deposits maintained the high-quality development trend. The Bank improved the multi-channel funding mechanism, promoted the matching of fund source and fund utilization, and optimized the management efficiency of assets and liabilities.

## Assets Deployment

As at the end of 2025, total assets amounted to RMB53,477,773 million, RMB4,656,027 million or 9.5% higher than that at the end of the previous year. Specifically, total loans and advances to customers (collectively referred to as “total loans”) increased by RMB2,133,885 million or 7.5% to RMB30,506,114 million, investment increased by RMB2,753,839 million or 19.5% to RMB16,907,415 million, and cash and balances with central banks increased by RMB351,647 million or 10.6% to RMB3,674,558 million.

Structure of assets



In RMB millions, except for percentages

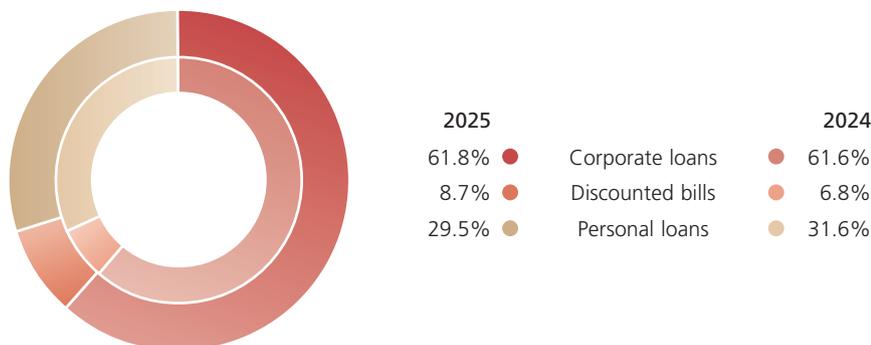
Item	At 31 December 2025		At 31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Total loans and advances to customers	30,506,114	–	28,372,229	–
Add: Accrued interest	57,995	–	56,624	–
Less: Allowance for impairment losses on loans and advances to customers measured at amortised cost	851,750	–	815,072	–
Net loans and advances to customers <sup>(1)</sup>	29,712,359	55.6	27,613,781	56.6
Investment	16,907,415	31.6	14,153,576	29.0
Cash and balances with central banks	3,674,558	6.9	3,322,911	6.8
Due from banks and other financial institutions	1,264,019	2.4	1,219,876	2.5
Reverse repurchase agreements	530,737	1.0	1,210,217	2.5
Others	1,388,685	2.5	1,301,385	2.6
<b>Total assets</b>	<b>53,477,773</b>	<b>100.0</b>	<b>48,821,746</b>	<b>100.0</b>

Note: (1) Please see “Note 23. to the Consolidated Financial Statements: Loans and Advances to Customers”.

## ◆ Loan

The Bank was earnestly committed to implementing national strategic arrangements, and carried out a raft of existing and incremental policies in a proactive manner. It focused on the financial needs for developing a modern industrial system, actively empowered the development of new quality productive forces, and continuously enhanced the alignment between the credit structure and the regional economic structure. Additionally, the Bank steadily advanced the balanced development of residential mortgages, strengthened product supply and scenario innovation in key areas of personal consumption and business operations, thereby helping to expand domestic demand and boost consumption. As at the end of 2025, total loans amounted to RMB30,506,114 million, RMB2,133,885 million or 7.5% higher compared with the end of the previous year, of which, RMB denominated loans of domestic branches were RMB28,869,490 million, up by RMB2,173,909 million or 8.1%.

Distribution of loans by business line



## DISTRIBUTION OF LOANS BY BUSINESS LINE

In RMB millions, except for percentages

Item	At 31 December 2025		At 31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
<b>Corporate loans</b>	<b>18,841,671</b>	<b>61.8</b>	<b>17,482,223</b>	<b>61.6</b>
Short-term corporate loans	4,280,312	14.0	3,819,683	13.5
Medium to long-term corporate loans	14,561,359	47.8	13,662,540	48.1
<b>Discounted bills</b>	<b>2,661,807</b>	<b>8.7</b>	<b>1,932,286</b>	<b>6.8</b>
<b>Personal loans</b>	<b>9,002,636</b>	<b>29.5</b>	<b>8,957,720</b>	<b>31.6</b>
Residential mortgages	5,875,868	19.3	6,083,180	21.5
Personal consumption loans	499,014	1.6	421,195	1.5
Personal business loans	1,930,219	6.3	1,677,981	5.9
Credit card overdrafts	697,535	2.3	775,364	2.7
<b>Total</b>	<b>30,506,114</b>	<b>100.0</b>	<b>28,372,229</b>	<b>100.0</b>

The Bank stepped up its credit support for key fields, major strategies and weak links such as “Major Strategies and Key Fields”, “Renewal and Trade-in” and “Five Priorities”, and loans to manufacturing, sci-tech innovation, green finance, inclusive finance and other key fields achieved rapid growth. Corporate loans rose by RMB1,359,448 million or 7.8% from the end of last year. Specifically, short-term corporate loans and medium to long-term corporate loans increased by RMB460,629 million and RMB898,819 million respectively.

The Bank conducted in-depth analysis of the new developments in the real estate market and accelerated the transformational development of residential mortgages. The Bank increased the supply of consumer finance, created a product system encompassing multiple target customer groups and catering to diverse consumption scenarios, and advanced the fiscal interest subsidy scheme for personal consumption loans in an orderly manner, ensuring policy dividends can be delivered directly to common people. Focusing on the production, operation and consumption needs of key customer groups such as small and micro enterprise owners and self-employed businesses, the Bank constantly improved service quality through product optimization and innovation, and expanded and optimized personal business loans. Personal loans increased by RMB44,916 million or 0.5% from the end of last year. Specifically, personal consumption loans grew by RMB77,819 million or 18.5%, and personal business loans increased by RMB252,238 million or 15.0%.

## DISTRIBUTION OF LOANS BY FIVE-CATEGORY CLASSIFICATION

In RMB millions, except for percentages

Item	At 31 December 2025		At 31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Pass	29,512,445	96.74	27,418,600	96.64
Special Mention	594,656	1.95	574,171	2.02
NPLs	399,013	1.31	379,458	1.34
Substandard	90,667	0.30	85,881	0.31
Doubtful	75,909	0.25	103,049	0.36
Loss	232,437	0.76	190,528	0.67
<b>Total</b>	<b>30,506,114</b>	<b>100.00</b>	<b>28,372,229</b>	<b>100.00</b>

According to the five-category classification, pass loans amounted to RMB29,512,445 million at the end of 2025, representing an increase of RMB2,093,845 million compared with the end of the previous year and accounting for 96.74% of total loans. Special mention loans stood at RMB594,656 million, representing an increase of RMB20,485 million and accounting for 1.95% of the total, with a decrease of 0.07 percentage points. NPLs amounted to RMB399,013 million, showing an increase of RMB19,555 million, and the NPL ratio was 1.31%, with a decrease of 0.03 percentage points.

## DISTRIBUTION OF LOANS AND NPLS

In RMB millions, except for percentages

Item	At 31 December 2025				At 31 December 2024			
	Loan	Percentage (%)	NPLs	NPL ratio (%)	Loan	Percentage (%)	NPLs	NPL ratio (%)
<b>Corporate loans</b>	<b>18,841,671</b>	<b>61.8</b>	<b>256,676</b>	<b>1.36</b>	<b>17,482,223</b>	<b>61.6</b>	<b>276,631</b>	<b>1.58</b>
Short-term corporate loans	4,280,312	14.0	73,499	1.72	3,819,683	13.5	90,949	2.38
Medium to long-term corporate loans	14,561,359	47.8	183,177	1.26	13,662,540	48.1	185,682	1.36
<b>Discounted bills</b>	<b>2,661,807</b>	<b>8.7</b>	<b>-</b>	<b>-</b>	<b>1,932,286</b>	<b>6.8</b>	<b>-</b>	<b>-</b>
<b>Personal loans</b>	<b>9,002,636</b>	<b>29.5</b>	<b>142,337</b>	<b>1.58</b>	<b>8,957,720</b>	<b>31.6</b>	<b>102,827</b>	<b>1.15</b>
Residential mortgages	5,875,868	19.3	62,250	1.06	6,083,180	21.5	44,317	0.73
Personal consumption loans	499,014	1.6	12,877	2.58	421,195	1.5	10,057	2.39
Personal business loans	1,930,219	6.3	35,088	1.82	1,677,981	5.9	21,280	1.27
Credit card overdrafts	697,535	2.3	32,122	4.61	775,364	2.7	27,173	3.50
<b>Total</b>	<b>30,506,114</b>	<b>100.0</b>	<b>399,013</b>	<b>1.31</b>	<b>28,372,229</b>	<b>100.0</b>	<b>379,458</b>	<b>1.34</b>

At the end of 2025, corporate NPLs were RMB256,676 million, showing a decrease of RMB19,955 million compared with the end of the previous year, and representing an NPL ratio of 1.36%, with a decrease of 0.22 percentage points. Personal NPLs amounted to RMB142,337 million, showing an increase of RMB39,510 million, and representing an NPL ratio of 1.58%, with an increase of 0.43 percentage points.

## DISTRIBUTION OF CORPORATE LOANS AND NON-PERFORMING CORPORATE LOANS OF DOMESTIC BRANCHES BY INDUSTRY OF LOAN CUSTOMERS

In RMB millions, except for percentages

Item	At 31 December 2025				At 31 December 2024			
	Loan	Percentage	NPLs	NPL ratio	Loan	Percentage	NPLs	NPL ratio
		(%)		(%)		(%)		(%)
Transportation, storage and postal services	4,019,287	22.9	11,314	0.28	3,859,790	23.8	14,286	0.37
Leasing and commercial services	2,781,666	15.8	40,856	1.47	2,417,060	14.9	36,844	1.52
Manufacturing	2,738,732	15.6	42,498	1.55	2,454,489	15.1	45,932	1.87
Water, environment and public utility management	1,907,924	10.9	13,262	0.70	1,839,421	11.4	16,725	0.91
Production and supply of electricity, heating, gas and water	1,849,764	10.5	5,320	0.29	1,756,221	10.8	7,479	0.43
Wholesale and retail	952,526	5.4	25,726	2.70	768,713	4.7	37,403	4.87
Real estate	864,576	4.9	46,576	5.39	880,986	5.4	43,964	4.99
Construction	535,865	3.1	13,500	2.52	483,623	3.0	14,417	2.98
Science, education, culture and sanitation	463,647	2.6	8,793	1.90	400,666	2.5	8,453	2.11
Mining	393,660	2.2	1,519	0.39	328,337	2.0	1,723	0.52
Others	1,052,749	6.1	16,316	1.55	1,015,627	6.4	16,615	1.64
<b>Total</b>	<b>17,560,396</b>	<b>100.0</b>	<b>225,680</b>	<b>1.29</b>	<b>16,204,933</b>	<b>100.0</b>	<b>243,841</b>	<b>1.50</b>

The Bank continued to propel the optimization and adjustment of the credit industry structure and increased support for the development of the real economy. Specifically, loans to leasing and commercial services increased by RMB364,606 million or 15.1% over the end of the previous year, which was mainly attributable to customers' increased financing demands in investment and asset management, enterprise headquarters, and management services of park and commercial complex. Loans to manufacturing increased by RMB284,243 million or 11.6%, mainly granted to leading backbone enterprises and key projects in high-end manufacturing such as new-generation information technology, new energy vehicles, and large-scale refining and chemical projects. Loans to wholesale and retail increased by RMB183,813 million or 23.9%, mainly driven by the continued intensification of a raft of incremental policies, under which demand for raw materials from manufacturing enterprises pushed up financing demand from commodity traders, as well as pro-consumption policies that led to increased funding demand from retailers such as department stores, supermarkets, home appliances and home furnishings. Loans to the transportation, storage and postal services increased by RMB159,497 million or an increase of 4.1%, mainly directed to projects for densifying road networks in the Eastern and Central China and for addressing weak links in the Western China in areas such as highways and railways, thereby actively supporting the building of China into a leading transportation country. Loans to the production and supply of electricity, heating, gas and water increased by RMB93,543 million or an increase of 5.3%, mainly directed to new energy power generation fields such as wind, solar, hydropower and nuclear power, as well as public services and people's wellbeing areas including supply of heating, gas and water, as well as sewage treatment in urban areas and key townships.

The Bank continued to strengthen risk management of loans in various industries, improved the quality and efficiency in the disposal of non-performing assets, and properly carried out risk prevention and mitigation in key areas. With these efforts, the loan quality was generally stable.

## DISTRIBUTION OF LOANS AND NPLS BY GEOGRAPHIC AREA

In RMB millions, except for percentages

Item	At 31 December 2025				At 31 December 2024			
	Loan	Percentage	NPLs	NPL ratio	Loan	Percentage	NPLs	NPL ratio
		(%)		(%)		(%)		(%)
Head Office	849,602	2.8	40,582	4.78	874,284	3.1	38,358	4.39
Yangtze River Delta	6,756,827	22.2	55,719	0.82	6,182,636	21.8	47,345	0.77
Pearl River Delta	4,613,631	15.1	86,732	1.88	4,348,121	15.3	66,187	1.52
Bohai Rim	5,109,713	16.7	55,496	1.09	4,677,575	16.5	56,810	1.21
Central China	4,853,907	15.9	48,475	1.00	4,416,409	15.6	49,717	1.13
Western China	5,688,006	18.7	59,262	1.04	5,233,652	18.4	68,406	1.31
Northeastern China	1,155,520	3.8	19,974	1.73	1,158,000	4.1	17,480	1.51
Overseas and others	1,478,908	4.8	32,773	2.22	1,481,552	5.2	35,155	2.37
<b>Total</b>	<b>30,506,114</b>	<b>100.0</b>	<b>399,013</b>	<b>1.31</b>	<b>28,372,229</b>	<b>100.0</b>	<b>379,458</b>	<b>1.34</b>

## MOVEMENTS OF ALLOWANCE FOR IMPAIRMENT LOSSES ON LOANS

In RMB millions

Item	Movements of allowance for impairment losses on loans and advances to customers measured at amortized cost				Movements of allowance for impairment losses on loans and advances to customers measured at FVTOCI			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	<b>Balance at 1 January 2025</b>	<b>354,083</b>	<b>156,502</b>	<b>304,487</b>	<b>815,072</b>	<b>353</b>	<b>51</b>	<b>21</b>
Transfer:								
to stage 1	21,754	(18,212)	(3,542)	-	-	-	-	-
to stage 2	(10,433)	12,981	(2,548)	-	-	-	-	-
to stage 3	(6,356)	(32,304)	38,660	-	-	(20)	20	-
(Reverse)/charge	(10,175)	49,820	109,882	149,527	(142)	86	149	93
Write-offs and transfer out	-	-	(119,958)	(119,958)	-	-	-	-
Recoveries of loans and advances previously written off	-	-	11,546	11,546	-	-	-	-
Other movements	794	(2,105)	(3,126)	(4,437)	31	19	(44)	6
<b>Balance at 31 December 2025</b>	<b>349,667</b>	<b>166,682</b>	<b>335,401</b>	<b>851,750</b>	<b>242</b>	<b>136</b>	<b>146</b>	<b>524</b>

Note: Please see “Note 23. to the Consolidated Financial Statements: Loans and Advances to Customers” for details.

As at the end of 2025, the allowance for impairment losses on loans stood at RMB852,274 million, of which RMB851,750 million at amortized cost, and RMB524 million at fair value through other comprehensive income. Allowance to NPLs was 213.60%, showing a decrease of 1.31 percentage points over the end of last year; allowance to total loans ratio was 2.79%, showing a decrease of 0.08 percentage points.

## DISTRIBUTION OF LOANS BY COLLATERAL

In RMB millions, except for percentages

Item	At 31 December 2025		At 31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Loans secured by mortgages	10,803,253	35.4	10,787,880	38.0
Pledged loans	4,778,472	15.7	3,797,121	13.4
Guaranteed loans	2,753,819	9.0	2,708,808	9.5
Unsecured loans	12,170,570	39.9	11,078,420	39.1
<b>Total</b>	<b>30,506,114</b>	<b>100.0</b>	<b>28,372,229</b>	<b>100.0</b>

## OVERDUE LOANS

In RMB millions, except for percentages

Overdue periods	At 31 December 2025		At 31 December 2024	
	Amount	% of total loans	Amount	% of total loans
Less than 3 months	130,307	0.43	122,360	0.43
3 months to 1 year	136,903	0.45	120,579	0.42
1 to 3 years	145,087	0.48	124,646	0.44
Over 3 years	50,438	0.17	39,154	0.14
<b>Total</b>	<b>462,735</b>	<b>1.52</b>	<b>406,739</b>	<b>1.43</b>

Note: Loans and advances to customers are deemed overdue when either the principal or interest is overdue. For loans and advances to customers repayable by installments, the total amount of loans is deemed overdue if part of the installments is overdue.

Overdue loans stood at RMB462,735 million, representing an increase of RMB55,996 million from the end of the previous year, among which, loans overdue for over 3 months amounted to RMB332,428 million, representing an increase of RMB48,049 million.

## RESCHEDULED LOANS

Rescheduled loans and advances measured in accordance with the Measures for Risk Classification of Financial Assets of Commercial Banks amounted to RMB156,027 million, representing an increase of RMB16,941 million from the end of the previous year. Specifically, rescheduled loans and advances overdue for over 3 months amounted to RMB39,606 million, representing an increase of RMB16,228 million.

## LOAN MIGRATION RATIO

In percentages

<b>Item</b>	<b>At 31 December 2025</b>	<b>At 31 December 2024</b>	<b>At 31 December 2023</b>
Pass	0.97	1.09	1.05
Special mention	17.44	17.44	18.61
Substandard	59.24	59.86	61.74
Doubtful	68.89	53.45	77.49

Note: Calculated according to the Circular on Amending the Definitions and Calculation Formula of Basic Indicators for Off-site Supervision of the Banking Sector issued by the former CBIRC in 2022, and measured at the Group's level.

## BORROWER CONCENTRATION

As at the end of 2025, the total amount of loans granted by the Bank to the single largest borrower and top ten single borrowers accounted for 4.4% and 19.4% of the Bank's net capital base, respectively. The total amount of loans granted to the top ten single borrowers was RMB1,029,313 million, accounting for 3.4% of the total loans.

<b>Item</b>	<b>At 31 December 2025</b>	<b>At 31 December 2024</b>	<b>At 31 December 2023</b>
Loan concentration to the single largest borrower (%)	4.4	4.4	4.5
Loan concentration to the top ten borrowers (%)	19.4	21.6	23.5

### ◆ Investment

In 2025, the Bank actively supported the implementation of the national development strategies, intensified its support for the real economy, actively conducted bond investment, coordinated bond investment values and interest rate risk prevention, and reasonably arranged the bond variety and term structure. As at the end of 2025, investment amounted to RMB16,907,415 million, representing an increase of RMB2,753,839 million or 19.5% from the end of the previous year. Among these, bonds rose by RMB2,667,787 million or 19.6% to RMB16,312,709 million.

In RMB millions, except for percentages

Item	At 31 December 2025		At 31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Bonds	16,312,709	96.5	13,644,922	96.4
Equity instruments	234,886	1.4	196,993	1.4
Funds and others	221,154	1.3	178,941	1.3
Accrued interest	138,666	0.8	132,720	0.9
<b>Total</b>	<b>16,907,415</b>	<b>100.0</b>	<b>14,153,576</b>	<b>100.0</b>

## DISTRIBUTION OF INVESTMENT IN BONDS BY ISSUERS

In RMB millions, except for percentages

Item	At 31 December 2025		At 31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Government and central bank bonds	12,565,387	77.0	10,422,907	76.4
Policy bank bonds	1,370,230	8.4	1,097,125	8.0
Bonds of banks and other financial institutions	1,459,991	9.0	1,398,606	10.3
Enterprise bonds	917,101	5.6	726,284	5.3
<b>Total</b>	<b>16,312,709</b>	<b>100.0</b>	<b>13,644,922</b>	<b>100.0</b>

In terms of distribution by issuers, government and central bank bonds increased by RMB2,142,480 million or 20.6% over the end of last year; policy bank bonds increased by RMB273,105 million or 24.9%; bonds of banks and other financial institutions went up by RMB61,385 million or 4.4%; and enterprise bonds increased by RMB190,817 million or 26.3%.

## DISTRIBUTION OF INVESTMENT IN BONDS BY REMAINING MATURITY

In RMB millions, except for percentages

Remaining maturity	At 31 December 2025		At 31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Undated <sup>(1)</sup>	107	0.0	83	0.0
Less than 3 months	1,136,887	7.0	750,923	5.5
3 to 12 months	2,217,214	13.6	2,337,828	17.1
1 to 5 years	6,624,654	40.6	4,992,268	36.6
Over 5 years	6,333,847	38.8	5,563,820	40.8
<b>Total</b>	<b>16,312,709</b>	<b>100.0</b>	<b>13,644,922</b>	<b>100.0</b>

Note: (1) Refers to overdue bonds.

## DISTRIBUTION OF INVESTMENT IN BONDS BY CURRENCY

In RMB millions, except for percentages

Item	At 31 December 2025		At 31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
RMB-denominated bonds	15,213,730	93.3	12,703,351	93.1
USD-denominated bonds	697,570	4.3	619,013	4.5
Other foreign currency bonds	401,409	2.4	322,558	2.4
<b>Total</b>	<b>16,312,709</b>	<b>100.0</b>	<b>13,644,922</b>	<b>100.0</b>

In terms of currency structure, RMB-denominated bonds rose by RMB2,510,379 million or 19.8% over the end of last year; USD-denominated bonds increased by an equivalent of RMB78,557 million or 12.7%; other foreign currency bonds increased by an equivalent of RMB78,851 million or 24.4%. The Bank reasonably arranged the currency structure based on changes in market interest rates and foreign-currency fund positions, in consideration of bond liquidity, security and profitability, and enhanced the efficiency of foreign-currency fund utilization.

## DISTRIBUTION OF INVESTMENT BY MEASURING METHOD

In RMB millions, except for percentages

Item	At 31 December 2025		At 31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Financial investments measured at fair value through profit or loss	943,953	5.6	1,010,439	7.1
Financial investments measured at fair value through other comprehensive income	3,823,279	22.6	3,291,152	23.3
Financial investments measured at amortised cost	12,140,183	71.8	9,851,985	69.6
<b>Total</b>	<b>16,907,415</b>	<b>100.0</b>	<b>14,153,576</b>	<b>100.0</b>

As at the end of 2025, the Group held RMB2,739,912 million of financial bonds<sup>1</sup>, including RMB1,370,230 million of policy bank bonds and RMB1,369,682 million of bonds issued by banks and non-bank financial institutions.

## TOP 10 FINANCIAL BONDS HELD BY THE BANK

In RMB millions, except for percentages

Bond name	Nominal value	Annual interest rate <sup>(1)</sup> (%)	Maturity date	Allowance for impairment losses <sup>(2)</sup>
Policy bank bonds 2025	54,927	1.47	14 February 2028	–
Policy bank bonds 2025	48,869	1.59	15 April 2028	–
Policy bank bonds 2025	30,789	1.32	7 January 2028	–
Policy bank bonds 2024	28,392	1.80	2 September 2027	–
Policy bank bonds 2024	28,122	1.67	13 September 2027	–
Policy bank bonds 2024	27,384	1.80	23 July 2027	–
Policy bank bonds 2020	19,905	3.23	23 March 2030	–
Policy bank bonds 2020	19,690	2.96	17 April 2030	–
Policy bank bonds 2019	19,207	3.45	20 September 2029	–
Policy bank bonds 2024	19,010	1.66	4 September 2026	–

Notes: (1) Annual interest rate refers to the coupon rate of the corresponding bonds.

(2) Excludes stage 1 allowance for impairment losses set aside in accordance with the expected credit loss model.

<sup>1</sup> Financial bonds refer to the debt securities issued by financial institutions on the bond market, including bonds issued by policy banks, banks and non-bank financial institutions but excluding debt securities related to restructuring and central bank bonds.

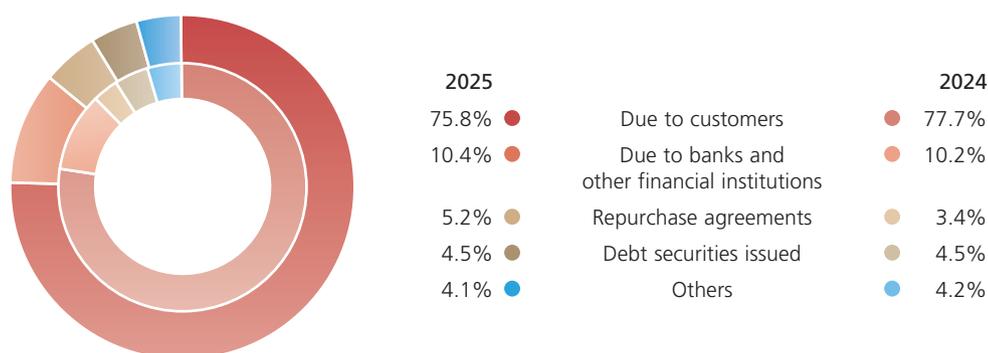
## ◆ Reverse Repurchase Agreements

Reverse repurchase agreements amounted to RMB530,737 million, representing a decrease of RMB679,480 million or 56.1% from the end of the previous year, mainly because the Bank continued to step up its support for the real economy and moderately decreased the scale of short-term lending to peers.

## Liabilities

The Bank attached importance to the enhancement of the diversified development capacity in liabilities, established a liability quality management system commensurate with the size and complexity of liabilities, and defined the management strategy and policy for liability quality that are consistent with the business strategy, risk appetite and overall business characteristics. As a result, the liability business maintained steady development. As at the end of 2025, total liabilities reached RMB49,205,749 million, representing an increase of RMB4,371,269 million or 9.7% compared with the end of last year.

Structure of liabilities



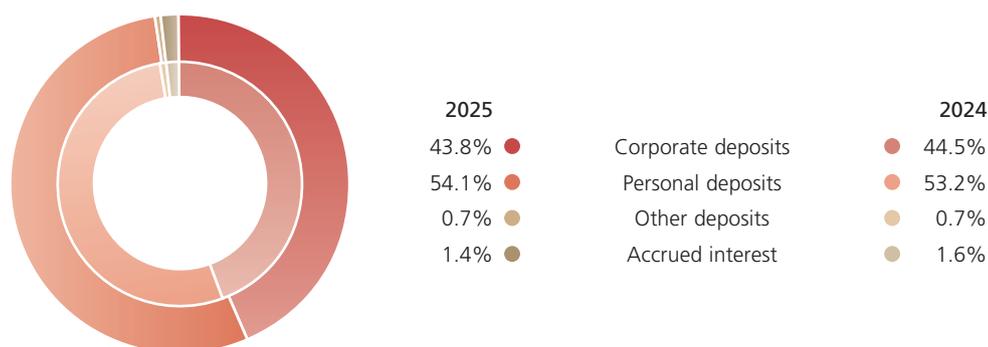
In RMB millions, except for percentages

Item	At 31 December 2025		At 31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Due to customers	37,311,778	75.8	34,836,973	77.7
Due to banks and other financial institutions	5,103,247	10.4	4,590,965	10.2
Repurchase agreements	2,536,376	5.2	1,523,555	3.4
Debt securities issued	2,216,807	4.5	2,028,722	4.5
Others	2,037,541	4.1	1,854,265	4.2
<b>Total liabilities</b>	<b>49,205,749</b>	<b>100.0</b>	<b>44,834,480</b>	<b>100.0</b>

## ◆ Due to Customers

Due to customers is the Bank's main source of funds. As at the end of 2025, due to customers was RMB37,311,778 million, RMB2,474,805 million or 7.1% higher than that at the end of the previous year. In terms of customer structure, corporate deposits increased by RMB843,188 million or 5.4%; and personal deposits increased by RMB1,663,109 million or 9.0%. In terms of maturity structure, time deposits increased by RMB1,674,329 million or 8.2%, while demand deposits increased by RMB831,968 million or 6.1%. In terms of currency structure, RMB deposits stood at RMB35,503,269 million, representing an increase of RMB2,356,840 million or 7.1%. Foreign currency deposits were equivalent to RMB1,808,509 million, indicating an increase of RMB117,965 million or 7.0%.

Distribution of due to customers by business line



## DISTRIBUTION OF DUE TO CUSTOMERS BY BUSINESS LINE

In RMB millions, except for percentages

Item	At 31 December 2025		At 31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
<b>Corporate deposits</b>				
Time deposits	8,831,506	23.6	8,349,110	24.0
Demand deposits	7,519,087	20.2	7,158,295	20.5
<b>Subtotal</b>	<b>16,350,593</b>	<b>43.8</b>	<b>15,507,405</b>	<b>44.5</b>
<b>Personal deposits</b>				
Time deposits	13,269,598	35.5	12,077,665	34.7
Demand deposits	6,935,021	18.6	6,463,845	18.5
<b>Subtotal</b>	<b>20,204,619</b>	<b>54.1</b>	<b>18,541,510</b>	<b>53.2</b>
<b>Other deposits<sup>(1)</sup></b>	<b>251,921</b>	<b>0.7</b>	<b>228,721</b>	<b>0.7</b>
<b>Accrued interest</b>	<b>504,645</b>	<b>1.4</b>	<b>559,337</b>	<b>1.6</b>
<b>Total</b>	<b>37,311,778</b>	<b>100.0</b>	<b>34,836,973</b>	<b>100.0</b>

Note: (1) Includes outward remittance and remittance payables.

## DISTRIBUTION OF DUE TO CUSTOMERS BY GEOGRAPHIC AREA

In RMB millions, except for percentages

Item	At 31 December 2025		At 31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Head Office	32,459	0.1	31,864	0.1
Yangtze River Delta	6,981,254	18.7	6,661,782	19.1
Pearl River Delta	4,648,119	12.5	4,472,710	12.8
Bohai Rim	10,422,009	27.9	9,496,212	27.3
Central China	5,646,032	15.1	5,159,595	14.8
Western China	5,830,068	15.6	5,430,660	15.6
Northeastern China	2,451,230	6.6	1,953,728	5.6
Overseas and others	1,300,607	3.5	1,630,422	4.7
<b>Total</b>	<b>37,311,778</b>	<b>100.0</b>	<b>34,836,973</b>	<b>100.0</b>

### ◆ Repurchase Agreements

Repurchase agreements amounted to RMB2,536,376 million, RMB1,012,821 million or 66.5% higher than that at the end of the previous year, principally because the Bank further expanded the multi-channel funding sources, and appropriately increased the scale of borrowed funds.

### Shareholders' Equity

As at the end of 2025, shareholders' equity totaled RMB4,272,024 million, RMB284,758 million or 7.1% higher than that at the end of the previous year. Equity attributable to equity holders of the parent company recorded an increase of RMB274,418 million or 6.9% to RMB4,244,259 million. Please refer to the "Consolidated Statement of Changes in Equity" for details.

### Off-balance Sheet Items

The off-balance sheet items of the Bank mainly include derivative financial instruments, contingencies and commitments. For details on the nominal amount and fair value of derivatives financial instruments, please refer to "Note 21. to the Consolidated Financial Statements: Derivative Financial Instruments". For details on contingencies and commitments, please refer to "Note 47. to the Consolidated Financial Statements: Commitments and Contingent Liabilities".

### 4.1.3 Analysis on Statement of Cash Flows

Net cash inflows from operating activities amounted to RMB1,890,530 million, representing an increase of RMB1,311,336 million as compared to last year, principally due to the increase of net increase of due to customers. Specifically, cash outflows of operating assets increased by RMB573,192 million; and cash inflows of operating liabilities increased by RMB1,882,871 million.

Net cash outflows from investing activities amounted to RMB2,417,582 million. Specifically, cash inflows were RMB5,664,332 million, representing an increase of RMB585,217 million over last year, mainly due to the increased cash proceeds from the sale and redemption of financial investments; and cash outflows were RMB8,081,914 million, representing an increase of RMB1,531,331 million, mainly due to the increase in cash payment for financial investments.

Net cash inflows from financing activities amounted to RMB35,005 million. Specifically, cash inflows were RMB2,595,380 million, representing an increase of RMB451,920 million over last year, mainly due to the increased cash proceeds from debt securities issued; and cash outflows were RMB2,560,375 million, representing an increase of RMB832,598 million, mainly due to the increased cash payment for repayment of debt securities.

#### **4.1.4 Changes of Major Accounting Policies**

Please refer to “Note 3.(1) to the Consolidated Financial Statements: Application of amendments to IFRS Accounting Standards that are mandatorily effective for the current year” for changes of major accounting policies during the reporting period.

#### **4.1.5 Description of Significant Accounting Estimates**

Please refer to “Note 5. to the Consolidated Financial Statements: Significant accounting judgements and estimates” for description of significant accounting estimates during the reporting period.

### **4.2 Business Overview**

#### **Special Column:**

##### **Progress in Serving the “Five Priorities”**

In 2025, the Bank strengthened its efforts on the “Five Priorities” of technology finance, green finance, inclusive finance, pension finance and digital finance in a bid to serve the high-quality development with financial services. By coordinating the aggregate and structure of investment and financing, proactively innovating its products and services, optimizing authorization and pricing management, and deepening the integration of technology and business, the Bank guided resources precisely towards major strategies, key areas and weak links to continuously improve the quality and efficiency of financial services for the real economy.

**In terms of technology finance**, the “Five Special (specialized institutions, special actions, exclusive products, specialized risk control and exclusive support)” service mechanism was improved, special financing scenarios were launched for R&D loans, Innovation Points Loan and Disruptive Technological Innovation Loan. At the end of 2025, the balance of sci-tech loans stood at RMB6 trillion, an increase of nearly RMB1 trillion from the beginning of the year. **In terms of green finance**, the Bank established a comprehensive service model for industrial parks, created structured financing tools such as electricity-carbon linked loan and carbon emissions reduction-linked bond. At the end of 2025, the Bank’s balance of green loans exceeded RMB6.7 trillion, maintaining the top position among peers by total amount; as at the end of 2025, the Bank issued green financial bonds of RMB125.0 billion cumulatively in China’s interbank market and green financial bonds of USD26.0 billion equivalent cumulatively in the offshore market. **In terms of inclusive finance**, the Bank iteratively developed the three product lines of Quick Lending for Operation, Online Revolving Loan, and Digital Supply Chain, and created the “1+4+X” distinctive financial service system for rural revitalization. At the end of 2025, the balance of inclusive small and micro enterprise loans was RMB3.6 trillion, and the balance of agriculture-related loans exceeded RMB5 trillion. **In terms of pension finance**, the Bank launched the “ICBC Pension Finance” brand, introduced the Ruyi Life integrated retirement solution, and refined the “ICBC Aixiangban” service brand aiming at elderly customer groups. At the end of 2025, the total pension funds under management exceeded RMB5.9 trillion, and the cumulative number of personal pension accounts and total contributions deposited both ranked first among peers. **In terms of digital finance**, the Bank became the first and only institution in the industry to be certified for the highest level of the Financial Digital Transformation Maturity Model (FDMM) Assessment. It built “ICBC Zhiyong”, a financial large language model (LLM) with hundreds of billions of parameters. At the end of 2025, the balance of loans to core industries of the digital economy exceeded RMB1 trillion. By the number of monthly active users of personal mobile banking, the Bank stayed ahead of other market players.

The year 2026 marks the beginning of the 15<sup>th</sup> Five-Year Plan. The Bank will resolutely implement all the decisions and plans of the CPC Central Committee on the “Five Priorities”, strengthen the precise alignment with policies, improve the service system and support mechanism, and allocate resources in light of local conditions. In addition, the Bank will innovate its financial products and services for the real economy, boost the intensity and efficiency to advance the “Five Priorities”, give better play to its role as a leading bank, and drive new breakthroughs in high-quality development.

## SUMMARY OF OPERATING SEGMENT INFORMATION

In RMB millions, except for percentages

Item	2025		2024	
	Amount	Percentage (%)	Amount	Percentage (%)
<b>Operating income</b>	<b>801,395</b>	<b>100.0</b>	<b>786,126</b>	<b>100.0</b>
Corporate banking	399,836	49.9	382,329	48.6
Personal banking	311,560	38.9	310,138	39.5
Treasury operations	87,893	11.0	89,675	11.4
Others	2,106	0.2	3,984	0.5
<b>Profit before taxation</b>	<b>424,435</b>	<b>100.0</b>	<b>421,827</b>	<b>100.0</b>
Corporate banking	206,924	48.7	244,892	58.1
Personal banking	141,764	33.4	98,710	23.4
Treasury operations	71,134	16.8	75,270	17.8
Others	4,613	1.1	2,955	0.7

Note: Please see “Note 49. to the Consolidated Financial Statements: Segment Information” for details.

### 4.2.1 Corporate Banking

Corporate banking explored business segment-based operations upholding a customer-centric and market-oriented approach. Comprehensive Financial Solutions (“CFS”) were developed to continuously enhance the value creation capability, market competitiveness, market influence, and risk management capacity. At the end of 2025, corporate loans reached RMB18,841,671 million, representing an increase of RMB1,359,448 million or 7.8% over the end of last year. Corporate deposits stood at RMB16,350,593 million, representing an increase of RMB843,188 million or 5.4%. The number of corporate customers reached 14,745.9 thousand, an increase of 1,397.3 thousand. The Bank was awarded the “China’s Best Bank for Large Corporates” by *Euromoney*, the “Best Domestic Bank for Belt and Road” by *Global Finance* and the “Project Finance House of the Year” by *The Asset* for the fifth consecutive year, and the “Best RMB Project Finance for Belt and Road” by *The Asian Banker*.

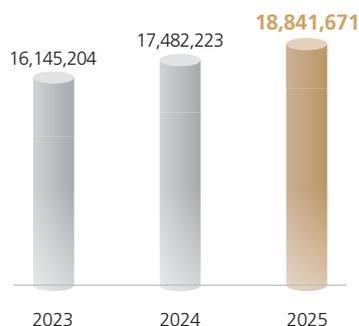
- ✧ The Bank sought progress while maintaining stability, and ensured sufficient resource flows into the real economy. High-quality corporate lending was further front-loaded, boosting uninterrupted access to credit across terms. With a focus on the financial service demand from modernizing the industrial system, the Bank implemented a modern corporate credit layout to better align the credit structure with the regional economic structure, maintaining a rapid growth in the corporate lending to “Major Strategies, Key Fields and Weak Links”. The Bank further strengthened the cooperation mechanism for investment-lending link with the National Development and Reform Commission, and actively supported the financing for “Major Strategies and Key Fields” projects and new policy financial tool projects. The total corporate loans issued in 2025 exceeded RMB10 trillion.

- ✧ The Bank focused on its core businesses to help modernize the industrial system. The Bank focused on its major responsibilities and core businesses in “industry”. It adopted a coordinated approach to upgrading traditional industries, expanding emerging industries and nurturing future industries. The Bank developed a special plan for financial support for new industrialization, actively served the large-scale renewal of equipment and launched the “ICBC Clusters” initiative in collaboration with the Ministry of Industry and Information Technology. At the end of 2025, the balance of loans to manufacturing stood at RMB5.24 trillion. It improved the “Five Special (specialized institutions, special actions, exclusive products, specialized risk control and exclusive support)” service system for technology finance, formulated a three-year plan for technological finance development, held the ICBC Sci-tech Innovation Partnership marketing campaign series and jointly built a technology finance ecosystem alliance. The Bank enhanced its professional characteristics in “commerce”. Focusing on serving a robust domestic market, stronger financial services were provided for key scenarios such as commodities, trade, logistics, e-commerce and service consumption at home and abroad. It deepened cooperation with platforms and supermarkets, and completed its first re-lending for service consumption and elderly care, leading the peers in terms of declared and disbursed amounts.
- ✧ The Bank forged ahead with a great sense of responsibility, serving “Major Strategies, Key Fields and Weak Links”. To help safeguard food security, the Bank created the “Supply & Marketing + Finance” service model with the All China Federation of Supply and Marketing Cooperatives, and provided sound financial services during critical farming seasons. To help safeguard energy security, the Bank supported ensuring energy supply and building the national new energy system at a faster pace. The Bank made good use of the carbon emission reduction instruments to support the green transition. In pursuit of high-quality development of the real estate sector, the Bank provided adequate financial support for key tasks such as the city-specific real estate financing coordination mechanism and conversion of the existing housing stock into affordable homes, supported the construction of “Good Houses” and helped develop a new model for real estate development.
- ✧ A CFS system was created to advance transformation and reform. Focusing on the core needs of enterprises, the Bank continued to enhance the systematic, digital, professional and ecosystem-based service capabilities, and adopted the four-pronged approach of financing, consulting, technology and connectivity to match products with customers and provide high-quality financial services for enterprises. To improve the services of central state-owned enterprises, the Bank strengthened strategic cooperation with several such enterprises, and continued to build itself into a major banking service provider for central state-owned enterprises. The Bank issued the comprehensive financial service plan for multinational companies, continued to carry out the “Global Tour, Global Win” bank-enterprise matchmaking campaign series and helped enterprises participating in the “Bringing in” and “Going Global”. It delivered fruitful results in high-quality Belt and Road cooperation, and acted as a leading bank to serve the national strategies and the national interests in terms of economy, trade and diplomacy. In line with the principle of “unswervingly consolidating and developing the public sector and unswervingly encouraging, supporting, and guiding the development of the non-public sector”, the

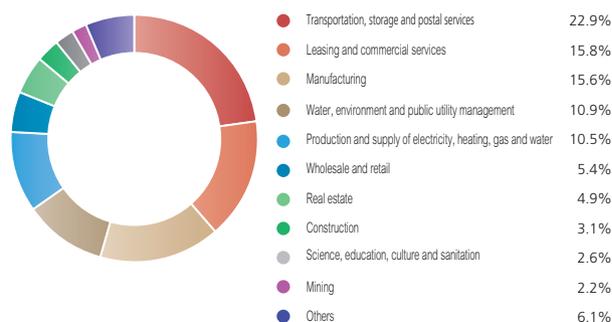
Bank held a facilitation meeting on financial empowerment for high-quality development of private enterprises in conjunction with the All-China Federation of Industry and Commerce, introduced a package of ten measures to empower the high-quality development of the private sector, jointly launched initiatives to support financing for high-quality private enterprises.

### Corporate loans

Unit: RMB millions



### Corporate loans of domestic branches by industry of loan customers



## Inclusive Finance

The Bank remained dedicated to inclusive finance. It continuously improved the coverage, accessibility and satisfaction of inclusive financial services, and better met the diverse financial needs of small and micro enterprises, agriculture-related business entities and key customer groups designated under the assistance program, improving the quality and efficiency of financial services for small and micro enterprises. As at the end of 2025, the balance of inclusive small and micro enterprise loans amounted to RMB3,551,863 million, representing an increase of RMB658,548 million or 22.8% over the beginning of the year. Inclusive small and micro enterprise loan customers numbered 2,581.3 thousand, representing an increase of 497.9 thousand. The average interest rate of inclusive small and micro enterprise loans newly granted in the year was 2.96%.

- ✧ Services were strengthened for the real economy. The Bank implemented the policy requirements for inclusive finance and redoubled efforts to promote inclusive credit supply. It further implemented the coordination mechanism for financing of small and micro enterprises, further carried out the “Visiting Thousands of Enterprises” campaign and strengthened visits and connections to address the demands of micro and small enterprises. A raft of incremental and existing policies were implemented, with ongoing services provided for loan renewals and interest subsidies.
- ✧ Services were enhanced for key customer groups. Targeted services were provided to merchants and farmers to meet their needs. With a focus on small and micro enterprises engaged in foreign trade, the Bank strengthened comprehensive services and financing supply. For sci-tech innovation enterprises, the Bank released the “Leadership” action plan for technology finance, continuously innovated products, optimized policy systems and business processes, and collaboratively deepened comprehensive financial services to precisely meet the needs of enterprises.

- ✧ The digital inclusive finance product library was improved. To meet the diverse financing needs of small and micro customers, the Bank focused on its major responsibilities and core businesses in “industry” and “commerce”, strengthened data import, deepened and refined the research on customer group financing strategy, continued to improve and promote the “Manufacturing e Loan”, “Merchant e Loan” and other products and enhanced services for manufacturers and merchants. A wider array of collateral types and assessment strategies were offered, with the “e-Mortgage Quick Loan”, “e-Enterprise Quick Loan” and “e-Quick Loan” refined. High-quality and efficient digital supply chain financing services were provided for upstream and downstream customers of core enterprises in the industrial chain. Taking into account regional characteristics, the Bank leveraged on the resource endowments of branches to develop products with local features, expanded service scenarios and enhanced the adaptability to regional markets.
- ✧ Operational support was strengthened. Through the inclusive version of personal mobile banking, the Bank provided one-stop services for inclusive customer groups, including pre-lending consulting, business application, post-lending care, and value-added services, and continuously enhanced the user experience. With a broad network of over 15 thousand outlets, the Bank effectively provided inclusive financial services to better serve local customers and expand the boundaries of inclusive financial services.
- ✧ The comprehensive service system was improved. With the integration of the CFS system, the Bank improved the “Credit+” services with a focus on the varied needs of micro and small enterprises, thereby fully meeting the diverse needs of customers. Through the proprietary “ICBC Business Matchmaker” platform, the Bank provided global enterprises with one-stop, intelligent cross-border matchmaking services, including product display, demand release, supply-demand matching, policy updates and cross-border finance.
- ✧ The foundation of risk management has been reinforced. The Bank developed a full-process data-driven risk management model, featuring intelligent early warning, dynamic management, and continuous operation. It valued the collection of timely and truthful information, enhanced cross-verification between online and offline channels, and realized a combination of expert experience and model-based data and methodologies, thus making risk prevention more targeted and effective.

## **Institutional Banking**

- ✧ The foundations were consolidated by further sharpening the edge in government finance. The Bank provided solid agency services for public finance circulation, ranking first by the amount of centralized payments on behalf of the central government treasury. For seven consecutive years, the Bank received a “Double Excellence” rating for direct payment and authorized payment in the evaluation of centralized payment agents organized by the central government treasury under the MOF. The Bank continued to improve the quality and efficiency of social security-banking services, and successfully completed the unified national management project for pension schemes. The Bank launched the healthcare security e-wallet, the first of its kind, and completed the industry’s first cross-provincial payment from the healthcare security account for its holder’s family members. It ranked first in terms of either cooperation in mobile payment settlement of

healthcare security funds or cooperation in healthcare security family wallet. Innovative financial services for public wellbeing were introduced. The Bank continued to promote such public service platforms as “ICBC Cloud Healthcare”, “Intelligent Housing”, “Intelligent Education” and “Digital Countryside”, providing supportive financial services for boosting China’s strength in education and science and technology, the Healthy China initiative and comprehensive rural revitalization. The Bank strengthened the GBC collaborative marketing, made progress in building an ecosystem, and developed solutions for various government service scenarios such as agency fiscal payments, holding of government bond proceeds, and development of social security and medical insurance ecosystems. These moves aimed to fully meet the needs of government agencies, industry players and individuals, and enhance the quality and efficiency of comprehensive services for the GBC ecosystem.

- ✧ The Bank kept to the right path while making innovations, persistently gaining momentum in interbank finance. The quality and efficiency of interbank business were enhanced. A promotion meeting under the theme of “Bank-Securities Cooperation in Five Priorities Supports High-Quality Development of the Capital Market” was held. “ICBC Securities Intelligent Connect”, the market’s first dedicated service plan for the securities industry, was launched. A package of FinTech output plans were improved to assist in the digital transformation of the financial industry and to help financial infrastructure clients promote cooperation in business innovation. In collaboratively serving the real economy, the bill brokerage service was available at all tier-two institutions with bill-holding customers. A total of over 22 thousand enterprises have been served, among which small and micro enterprises accounted for over 85%. The Bank enhanced scenario-based marketing of corporate insurance and improved the “Risk Management Solutions for Ten Industries”, helping corporate customers forestall risks. Solid services were provided for the capital market by, for example, acting on the policy guidance on integrated reform for investment and financing of the capital market and consolidating the foundation of strengths in third-party depository and settlement cooperation for securities funds.

## **Settlement and Cash Management**

- ✧ With a focus on treasury management, the Bank enhanced the leading role of treasury services in improving efficiency. Putting the “ICBC Global Treasury” brand at the core, the Bank improved the customer mix, increasing the value contribution and expanding the customer base. The Bank tapped deep into the evolving treasury management needs of customers, giving priority to scenarios such as multi-bank Bank-Enterprise Interconnection, cross-border cash management and bills management. The core functions including cloud-based treasury settlement, bills and cross-border operations were reengineered to expand the service ecosystem and increase the coverage of scenarios. Treasury services were provided for 15.5 thousand business conglomerates, covering over 300 thousand member entities of central and provincial state-owned enterprises as well as leading private enterprises.

- ✧ With a focus on cross-border transactions, the Bank enhanced its leading position in global payment services. It deepened cooperation in global treasury management with four major customer groups, namely, central and state-owned enterprises, private enterprises, foreign-funded enterprises and financial institutions. The Bank advanced the development of the “ICBC Global Payment Services” (“IGPS”) in greater depth, expanding its direct links in the Asia Pacific and Europe. The “IGPS” links were provided overseas in 140 countries and regions, including direct links available in 44 countries and 56 currencies. The number of “IGPS” customers exceeded 12.9 thousand, an increase of 23% compared to the end of the previous year. The Bank made the financial market infrastructure for global settlement that is more secure, efficient and convenient, exploring to develop a new system of global transaction settlement.
  
- ✧ With a focus on supply chains, the upstream and downstream ecosystems were empowered. Under the product and service plans for supply chain customers, the Bank made coordinated efforts to build a platform for supply chain finance services. The influence of the platform was enhanced through multi-channel and multi-dimensional publicity at international exhibitions, including the China International Supply Chain Promotion Expo (CISCE). New service scenarios were created to address pain points of customers. In the downstream scenarios, the Bank developed intelligent online services for supply chain-related bank acceptance bill business in line with customer needs. In the upstream scenarios, the “Procurement Cloud + Account Management” solution was launched to expand the special-purpose fund supervision service. The financing scenarios were aligned with the ecosystems of central state-owned enterprises, enabling the online closed-loop operation of supplier financing.
  
- ✧ Innovation served as the engine for digital and intelligent transformation. The infrastructure foundation made breakthroughs, further enhancing the product identity to customers. Product innovations were deepened for “ICBC Global Payment Services”, “ICBC E Enterprise Payment”, “ICBC e BillPay” and “ICBC Spare Money Management”. The total transactions of “ICBC e BillPay” and “ICBC E Enterprise Payment” exceeded RMB2.5 trillion. Through the “ICBC Spare Money Management” service that combined receipts, management, disbursements and financing, the Bank maintained the lower-tier customer base and created financing, investment and lending opportunities, serving 1.07 million small and medium enterprises. Putting into practice the development strategy of settlement finance traffic monetization, the Bank converted corporate funds into deposits through the agency sales of wealth management products and innovative deposit products, thereby empowering high-quality development of settlement finance with enhanced product identity. The Bank took solid steps to implement the “AI+” Action Plan, leveraging new quality productive forces to empower the high-quality development of settlement finance. The “Dubhe Agent” and “Dubhe Answers” settlement finance AI advisory products were upgraded across the board. The “Dubhe Smart Data” settlement data assistant employed the LLMs to support multi-dimensional query of over 800 indicators.

- ✧ Security underpinned the steady and sustained development of infrastructures. The enterprise risk management system was further consolidated by conducting extensive consultation on mechanisms, reinforcing the lines of defense against risks and fostering the risk culture. The Bank strengthened anti-money laundering and anti-fraud governance, systematically reviewed the key products and distinctive products for money laundering and fraud risks, and upgraded the rigid control over high-risk products. The digital risk control capabilities made breakthroughs at a faster pace. The Bank deployed 33 risk control models for seven scenarios of key products, created a risk control platform for settlement finance, and developed multi-dimensional risk views for visualization.
- ✧ At the end of 2025, the Bank maintained 16,799 thousand corporate & institution settlement accounts, 2,473 thousand cash management customers and 13,652 global cash management customers. The volume of corporate & institution settlement business<sup>1</sup> in 2025 reached RMB2,248 trillion.

## **Investment Banking**

- ✧ The Bank focused on strategic emerging industries, sci-tech innovation, and green development, and actively supported the implementation of key national strategies through “M&A+” full-process services. In line with a raft of incremental policies, the Bank accelerated the promotion of share buybacks and shareholding increase loan services to help restore market confidence and support the high-quality development of listed companies. By the number of M&A deals facilitated, the Bank continued to rank first in Refinitiv’s ranking of “China Financial Advisers for Deals”.
- ✧ The Bank launched the service brand “ICBC Sci-Tech Finance – Equity Services”, aiming to meet the full-cycle equity service needs of technology enterprises with tailor-made products. The Bank promoted the orderly implementation of the AIC equity pilot business, continued to improve and promote its end-to-end advisory services for equity investment funds, and provided differentiated specialized and sophisticated solutions for venture capital firms, enhancing the level of comprehensive financial services.
- ✧ The Bank made all-out efforts to advance all-scenario services for corporate asset securitization and publicly-offered infrastructure REITs, empowering real economy enterprises to efficiently revitalize existing assets and spurring a virtuous cycle involving the utilization of existing assets and new investments. It further developed the restructuring advisory model and supported corporate debt risk mitigation and turnaround transformation.

---

<sup>1</sup> The volume of corporate & institution settlement business refers to the total amount of debits and credits incurred in RMB-denominated corporate & institution settlement accounts.

- ✧ The Bank continued to consolidate its advantages in bond underwriting and served as the lead underwriter for 3,249 bond issuance projects domestically in 2025, with a total lead underwriting volume of RMB2.26 trillion. In pursuit of improvement of self-reliance and strength in science and technology, the Bank guided funds towards key areas. It underwrote 130 sci-tech innovation bonds, with an underwriting volume of RMB114.2 billion. Boosting the development of new quality productive forces, the Bank underwrote 298 ESG bonds, with an underwriting volume of RMB381.5 billion. Serving high-level opening-up, the Bank completed the lead underwriting of the first panda bond of a US issuer, and underwrote the first panda bond issued by an international development organization in Africa, the first panda bond of a UK issuer, and multiple “Belt and Road” sovereign panda bonds, among other benchmark projects. In 2025, the Bank underwrote 46 panda bonds for 28 issuers, with a total underwriting volume of RMB25.5 billion.

## **Bills**

- ✧ The Bank effectively served the “Five Priorities”, deeply developed supply chain finance, fostered an online all-channel network and strengthened support in key areas. It created an innovative bill product system composed of “ICBC Discount Series”, “ICBC e Discount”, “Bills Link Chain Series” and “Bills Insight Series”. Making fresh headway in digital transformation, the Bank launched the “Bills Insight 2.0” AI contract review system, upgraded existing systems to roll out the “Stable Price Instant Discount 2.0”, “ICBC e Discount 2.0” and “Bills Marketing One-Click”, and successfully implemented the first supply chain bill discounting with limited recourse and the first discounting business on the Shanghai Commercial Paper Exchange comprehensive service platform.
- ✧ In 2025, the volume of discount bills reached RMB4.9 trillion, contributing an increase of 32.8% over the previous year, maintaining the leading position in the market for nine years in a row. The Bank was awarded “Excellent Integrated Bank”, “Excellent Discount Institution” and “Excellent Trading Institution” by Shanghai Commercial Paper Exchange for the fifth consecutive year, covering both overall and specialized awards.

## **4.2.2 Personal Banking**

In 2025, with the aim of building a modern leading retail bank satisfactory to the people, the Bank followed the path toward “five transformations”, and strove to achieve new accomplishments in risk prevention and control, product supply, digital and intelligent empowerment, service system and ecosystem infrastructure of personal banking.

- ✧ Intelligent risk control was enhanced to promote the in-depth integration of risk prevention and control with business development. Operational risks were strictly forestalled through regular review and assessment of policies and procedures. The risk management and internal control system became increasingly mature. The customer money laundering risk management system was refined, and the anti-money laundering capability was further enhanced. With targeted anti-fraud measures and simplified control procedures, the Bank

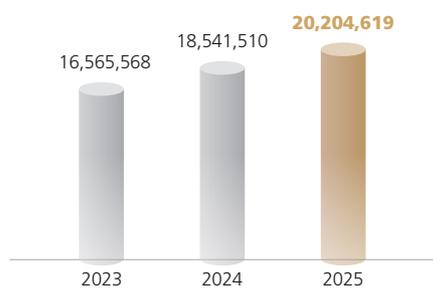
helped customers avoid losses of approximately RMB7.7 billion, thereby effectively safeguarding the “wallets” of the people. The collective review and admission mechanism for commission-based distribution was refined, further enhancing the decision-making and risk control capabilities for the commission-based business. The centralized follow-up mechanism for commission-based business was improved, continuously boosting the suitability management of sales.

- ✧ The modern layout was refined to optimize and strengthen core businesses, such as savings and payment, with a focus on managing “fund flows”. The Bank strengthened the base of deposits from payroll services, social security funds and merchants, introduced the innovative certificates of deposit featuring the solar terms, upgraded the “Zhi Cun Bao” agreement and provided comprehensive services for “investment, payment and repayment” scenarios. The savings deposit achieved a rapid growth and the costs of deposits were steadily lowered, providing sufficient low-cost funds for serving the real economy. The coordinated management of personal payment services was strengthened. The Bank launched the Mastercard “10+1” multi-currency debit card for domestic use, the first of its kind, the Chinese Zodiac Card and the AI Select Card.
- ✧ The Bank fostered the digital and intelligent driver, and enhanced the total factor productivity by implementing a number of key projects including digital infrastructure, intelligent marketing, AI empowerment and system integration. The Bank continued to build the Customer Identified Data Assembly (CIDA) and established a collaborative mechanism for data sharing and strategy consultation. The core capabilities of the “Intelligent Brain” were further enhanced, enabling the modeling of marketing strategies based on product-customer alignment, and recommending tailored products and services for individual customers. The Bank launched its first marketing AI agent “Gong Xiao Cai”, building a marketing and customer maintenance model powered by human-machine collaboration. It accelerated the system integration and optimized the “Digital Intelligence Management & Operation” to build an agile and intelligent data service system.
- ✧ The Bank advanced the comprehensive services, and fully integrated marketing events, customer returns and rewards, and domestic and overseas resources to provide customers with high-quality services. A multi-channel and multi-dimensional new mode of customer acquisition was built. An offline outreach marketing model was built and the marketing PAD was launched, in a bid to develop mobility-based bank sales units to meet outreach marketing needs. On the online front, a number of projects including Intelligent Canteen, Intelligent Campus, Gold Accumulation and solar photovoltaics were further replicated and promoted, and platform users were converted to customers. The Bank was the first to launch a unified customer rewards platform called “ICBC iBonus Point”, significantly improving customer experience and marketing effectiveness. Taking the opportunity of serving the 15<sup>th</sup> National Games, the Bank fast-tracked the promotion of the “Payment Connect” product.

- ✧ Expanding the business ecosystem, the Bank further implemented GBC+ projects and improved its ability to manage key customer groups. The Bank launched the “5+N” renewal project for payroll services, integrated payroll products across the board, and upgraded and promoted “ICBC Salary Manager 2.0”, enhancing the competitiveness of payroll services. A new business model for individual merchants was developed to enable precise matching of products and customers and sophisticated management of costs. The “ICBC Aixiangban” service brand aiming at elderly customer groups was enhanced. The Bank became one of the first issuers of third-generation social security cards at all qualified prefecture-level cities, further broadening the coverage of social security card services. The Bank continued to expand the investment product range for personal pension plans, and kept upgrading investment and wealth management services, seeing an increasing rate of personal pension contributions. The young customer groups were expanded with a focus on key scenarios, taking up a larger share of the customer base.
- ✧ The Bank was awarded the “Best Consumer Bank of China” by *Global Finance*, the “Best Digital Account Opening and Onboarding Service in Asia Pacific”, the “Best Digital Wealth Management Initiative in Asia Pacific”, the “Best Digital Savings Innovation in China” and the “Best Anti-Fraud Consumer Initiative in China” by *The Asian Banker*, and the “Best Ageing Finance”, the “Wealth Intermediary Income Excellence Award” and other awards by *Retail Banking*. At the end of 2025, the number of personal customers served reached 782 million. Personal deposits reached RMB20,204,619 million, representing an increase of RMB1,663,109 million or 9.0%. Personal loans stood at RMB9,002,636 million, representing an increase of RMB44,916 million or 0.5%.

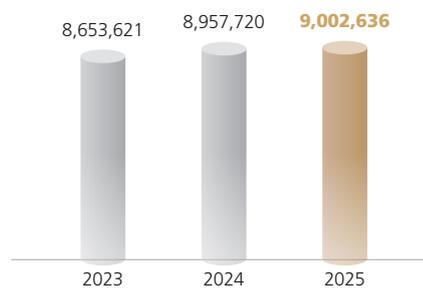
Personal deposits

Unit: RMB millions



Personal loans

Unit: RMB millions



## Personal Credit Business

- ✧ With keen insights into the real estate market developments, the Bank steadily promoted balanced lending for new homes and home resales. Promoting the high-quality development of the entrusted provident fund loans, the Bank had a coverage rate of 91% in the cooperation with housing provident fund centers.

- ✧ The precision of product-customer alignment was improved by innovating financial service models and strengthening the supply of consumer credit products in line with the needs of customer groups and scenarios. The Bank launched the “Academic Excellence Loan” tailored for new graduates and workers pursuing further education, the “Pilot e Loan” for pilots, and the “Ruyi Loan” and “Annuity Quick Loan” for the elderly. Such specialized products together shaped a product system covering various target customer groups and suitable for diverse consumption scenarios, effectively unlocking the potential for differentiated consumption. The work on government subsidy for personal consumption loans was implemented in an orderly manner. A total of about 1.90 million customers signed the subsidy service agreements, processing subsidy for over 30.00 million consumption transactions which were eligible for subsidy. This service effectively reduced the financing costs for residents and stimulated consumer demand.
- ✧ For personal business loans, the Bank strengthened the supply in key areas and the innovation of scenarios. It pursued the high-quality development of the Housing Provident Fund Portfolio Loan, fully promoted the renewal loan service, and adopted product strategies such as offering more repayment methods to make products more competitive. The “Business Support Loan Package” was innovatively launched for self-employed individuals to meet their business operation and consumer financing needs. Focusing on the county-area economic clusters with distinctive local features and relying on the new digital finance model encompassing “ecosystem chains, industrial clusters and major platforms”, the Bank exchanged data with external industrial platforms, actively promoted innovative credit products including “Cotton Grower Loan” and “Agro-guarantee Direct Link” and built a “product-scenario” service matrix in the agricultural field.
- ✧ The Bank was awarded the “Best Consumer Lending Bank in China” for the second consecutive year by *Global Finance*.

## **Wealth Management Business**

- ✧ The Bank adhered to a people-centered value orientation, and actively fulfilled the responsibilities of a major financial institution, to meet the people’s aspirations for a better life through high-quality wealth management services, becoming a market leader in wealth management. The range of fund products was expanded under the “easy entry, strict selection” strategy. The number of newly launched mutual fund products this year increased significantly year on year. The Bank deepened cooperation with leading insurance companies, carried out targeted marketing on a quarterly rolling basis, and innovatively launched agency distribution of commercial pension products. Scenario-based innovative products including “Tian Tian Ying”, “Zhi Xiang Huan” and “Fixed Investment in Wealth Management” were further promoted, with over 10 million customers holding wealth management products. At the end of 2025, the balance of personal financial assets under management (“AUM”) reached RMB25.37 trillion, maintaining a leading position in the market.

- ✧ In the field of private banking, the CFS was leveraged to provide services for customers across the service chain and value chain, empowering digital and intelligent transformation through the application of AI. The Bank continued to build a service system for scientists and entrepreneurs who are sci-tech innovators. It launched the “StellarIgnite” scientists service framework, upgraded the “Benefits Experience Package” for such entrepreneurs, and entered into cooperation with the associations for science and technology, universities, laboratories, and academician centers under the themes of technology finance, charity, and science popularization. The mobile banking charity account was launched to create a digital platform for charity finance, enabling a comprehensive display, integrated operation across all channels, and full-journey record of customers’ charitable activities at the Bank. The Bank promoted the in-depth integration of pension finance and family wealth management, officially launched “ICBC Family Wealth Management” service brand, and regularly held charity-themed salon events. With the “Green Mountain” brand, the Bank developed a green product system, focused on the allocation of green bonds, carbon-neutral bonds, and other ESG assets, and guided social capital toward green industries.
- ✧ The Bank was awarded the Golden Toad Award for the “Outstanding Wealth Management Bank” and the “Outstanding Wealth Management Product Sales Bank” by Lianhe Zhiping, the Golden Reputation Award for the “Excellent Wealth Management Bank” and “Excellent Bank Wealth Brand” by Pystandard, and the “Bank Wealth Management Service” Award at the 6<sup>th</sup> Banking Golden Bull Awards of the China Securities Journal. The Bank was awarded the “Best Private Bank in China (Mega)” and the “Charitable Trust Service of the Year in China” by *The Asian Banker*, the “Best Private Bank in China” by *The Asset*, and “China’s Best Private Bank for International Network” by *Euromoney*.

## **Bank Card Business**

- ✧ The Bank contributed to boosting domestic demand and consumer spending. It stepped up marketing, further implemented the “ICBC I Go” campaign to boost consumption, carried out the “I Go” Season and “trade-in” state subsidy programs and rolled out the “100 Cities and 10,000 Stores” and “I Go Global” promotional events. Actively serving the 15<sup>th</sup> National Games, the Bank carried out five series of promotional events under the theme of “Travelling with the National Games (NG)”, namely, “Cashback NG”, “I Go NG”, “Vigor NG”, “Passion NG” and “Light Up NG”. The Bank introduced new products such as the ICBC European Travel Commission Co-brand Credit Card, strengthened marketing services for business cards, refined the “ICBC Member Benefits” reward system, improved the iBonus Point operation system, and added the function of redeeming Alipay accumulated bonus points and iBonus Points on JD.com for cash rebate. The Bank further implemented the GBC+ merchant marketing projects, enhancing the service capabilities of merchants through integrated marketing and scenario co-development. The “Instant Refund” departure tax refund service was promoted to better serve foreign consumers in China. The e-Life platform service capacity was enhanced by creating new sections for ride-hailing, air tickets and “trade-in” programs, and upgrading scenarios such as member benefits center, task center and cross-border services.

- ✧ Digital support was strengthened by consolidating the data asset foundation of credit cards, enhancing the integrated use of internal and external data and enriching customer profile insights, with more than 1,200 customer tags and quantitative models established. AI was further applied to empower merchant review, credit card marketing, and outbound marketing of installment services. Among them, the AI application in the merchant review scenario was awarded the “Beijing Exemplary Case of AI-Empowered Industry Development”.
- ✧ At the end of 2025, the Bank had issued 1,320 million bank cards, an increase of 36.53 million cards. These included 1,175 million debit cards and 145 million credit cards. The balance of credit card overdrafts was RMB697,535 million. In 2025, ICBC debit cards registered a consumption transaction volume of RMB18.51 trillion, and credit cards registered a consumption transaction volume of RMB1.83 trillion.

### **4.2.3 Asset Management Services**

Actively seizing the new opportunities and fulfilling the new missions that high-quality financial development has brought to the asset management industry, the Bank provided more adaptive, competitive, and inclusive financial services to support the high-quality development of modern economic system and the growing demand for wealth management. At the product end, the Bank stayed committed to a customer-centered approach to meet customers’ demands for wealth preservation and appreciation by improving the professionalism of financial services such as wealth management, funds, insurance, pension, etc. and providing a wide range of asset management products. On the investment side, it fully leveraged the license advantages of integrated subsidiaries by increasing investment support in areas such as advanced manufacturing, Specialization, Refinement, Differentiation and Innovation (“SRDI”), inclusive small and micro enterprises, sci-tech innovation, and green development, thereby contributing to the construction of a modern economic system.

In terms of wealth management, taking the clients’ wealth management needs as the anchor point, the Bank optimized the full range of product offerings, innovated scenario-based functions and services, adapted to the long-term investment policy orientation and the trend of diversified investment markets and accelerated development of the “fixed income+” business, delivering solid returns to investors with stable, reliable and leading performance of products. In terms of funds, the Bank enhanced the development of equity funds and continuously expanded the product lineup of sci-tech themed funds. It issued the first batch of floating-fee funds in the industry, actively implementing the requirements of the mutual fund fee reform. The Bank remained steadfast in long-term investment, value investment and long-term performance assessment, leading the industry by pension investment performance and staying at the forefront among peers by investment performance of equity funds and bond funds. In terms of insurance, the Bank leveraged the advantages arising from the large size, long terms and stable sources of insurance funds to foster patient capital. It provided high-quality financial support for major national infrastructures, sci-tech innovation and green and low-carbon transition. The total AUM steadily increased, with the investment performance ranking among the top tier of comparable peers.

## Wealth Management Services

- ✧ At the end of 2025, the balance of wealth management products reached RMB2,091,240 million, all of which were managed by ICBC Wealth Management. Please refer to the section headed “Business Overview — Comprehensive Operation and Subsidiary Management” for details on the business development of ICBC Wealth Management.

## Asset Custody Services

- ✧ The Bank enhanced the competitiveness of new financial infrastructures and continued to consolidate its leading advantage in the custody business. At the end of 2025, the total assets under custody of the Group reached RMB32.79 trillion. Among them, the assets under custody of domestic institutions in accordance with the Rules on Custody Business of Commercial Banks (Trial) stood at RMB27.12 trillion. The custody size of securities investment funds, insurance assets, pension funds, and QDIIs all remained at the top of the industry.
- ✧ The Bank additionally won the custody qualifications for 304 industrial funds, including the National Venture Capital Guidance Fund and the Jiangsu Social Security Sci-Tech Innovation Fund, which represented major milestones in serving new quality productive forces. The custody services have been going global at a faster pace. The third ICBC Custody Innovation Cooperation Forum was held to build a dialogue platform for domestic and foreign investors through the custody services as a bridge and the cooperative innovation as an engine.
- ✧ The custody services were digitally and intelligently transformed at a faster pace, with the artificial intelligence technology applied to over 100 custody service scenarios. The Bank strengthened the enterprise risk management of custody services, and improved the disaster recovery system to ensure the security and efficiency of custody operations. In 2025, the Bank’s asset custody services underwent no major risk events that violated laws and regulations.
- ✧ The brand value of “ICBC Custody” continued to rise. ICBC was awarded the “Best Mega Custodian Bank in China” by *The Asian Banker*, the “Best Custodian Bank, Onshore, China” and the “Best Custodian Bank-Insurance, China” by *The Asset*.

## ASSETS UNDER CUSTODY OF DOMESTIC INSTITUTIONS AT THE END OF 2025

In RMB millions, except for percentages

Type of assets under custody	Amount	Percentage (%)
Insurance assets	9,430,570	34.8
Securities investment funds	5,246,478	19.3
Pension funds	3,803,231	14.0
Bank wealth management products	3,049,135	11.2
Trust assets	2,000,362	7.4
Private investment funds	1,287,678	4.7
QDIIs	886,545	3.3
Assets of securities companies' clients	673,159	2.5
QFIs	478,181	1.8
Assets of fund companies' clients	250,447	0.9
Other products	15,704	0.1
<b>Total</b>	<b>27,121,490</b>	<b>100.0</b>

### Pension Services

- ✧ The Bank improved pension fund finance to fulfill its role as a main force in the national pension system. It improved the basic pension insurance service system, optimized the “ICBC e Social Security” online platform, provided comprehensive social security card services, and realized the “cross-provincial processing” services for social security cards available across the country. Leveraging its advantage of “full licenses” in pension fund trustee services, account management, custody, and investment management, the Bank continued to enhance the efficiency of annuity management and kept improving the long-term performance assessment mechanism. The managed annuities and investment returns ranked among the top in the industry. The Bank also supported the nationwide rollout of the private pension scheme by building a full-spectrum product portfolio, establishing convenient online and offline service channels, and becoming the first among peers to launch the “ICBC Easy Investment” private pension default investment service.
- ✧ The Bank strengthened financial services for pension services to better meet the elderly care needs of the people. It launched the “ICBC + Elderly Care Services” 2025 Action Plan, and took a wide range of steps to address key pain points in elderly care. The Bank further polished its “ICBC Aixiangban” brand service system aiming at elderly customer groups to promote senior-friendly payment services, and organized senior-friendly themed activities in various forms. It rolled out the project of developing tens of thousands of featured outlets with pension finance services, and improved the pension finance community platform to promote the “Happy Life Version” of mobile banking, and additionally issued risk alerts for large-value transfers to strangers to improve accessibility for elderly users. The Bank innovatively launched the “Ruyi Life” comprehensive elderly care solutions, providing one-stop solutions covering the four core scenarios of “financial planning, fund allocation, service guarantee and asset arrangement” focused on the lifecycle needs of customers. In addition, the Bank actively promoted financial literacy among seniors and safeguarded their consumer rights and interests.

- ✧ The Bank effectively advanced financial services for the elderly care industry to support the development of the silver economy. By optimizing the investment and financing policies for the elderly care industry and effectively allocating credit resources, it facilitated the large-scale, standardized, clustered, and brand-oriented development of the silver economy. The Bank established an elderly care industry financial support model backed by inclusive elderly care, elderly care industrial chain, and “Elderly Care+” industries, and improved the “Credit+” comprehensive financial services including investment and financing, account management, payment and settlement, and construction of digital and intelligent scenarios. It also promoted the “Silver Generation Industry Cloud” platform, the first of its kind in the industry, to help small and medium-sized elderly care institutions enhance their operating efficiency and digital capabilities.
- ✧ The Bank was awarded the “Bank of the Year for Pension Finance Innovation” by *The Economic Observer* and the “Case of the Year in Community-based Elderly Care Services” by the *China Times*.

## 4.2.4 Financial Market Business

### Money Market Activities

- ✧ In terms of RMB operations, the Bank gave full play to its role as a primary dealer, actively participated in monetary policy tool operations of the PBC, maintained the intensity of financing, continued to expand the range of counterparties, and efficiently passed through the moderately loose monetary policy. Giving a boost to the internationalization of the RMB, the Bank was one of the first to launch the innovative bond repo business in the interbank market under the “Northbound Bond Connect”, vigorously supporting the RMB demand of institutions from multiple regions. The Bank strengthened business risk control, improved the system functions and institutional systems, and enhanced the full-process risk management.
- ✧ In terms of foreign exchange operations, the Bank closely monitored the monetary policy trends of major central banks around the world and changes in market liquidity, continued to strengthen its foreign currency liquidity reserves, and flexibly carried out various foreign exchange money market operations under the premise of safeguarding liquidity security to improve the efficiency of foreign-currency fund operations. As a responsible large bank, the Bank contributed to the healthy development of the domestic foreign-currency money market. It continued to act well as a quotation bank for interbank foreign-currency lending through the China Foreign Exchange Trade System, assisting in developing the domestic benchmark interest rate curve for USD lending.

## Investment

- ✧ In terms of RMB bond operations, the Bank persisted in serving high-quality development of the real economy, and gave play to its role as the main channel for macro policy transmission and the main force in financial services as a large state-owned bank. It supported the implementation of the proactive fiscal policy and constantly consolidated and expanded its leading position in government bond business, providing strong fund support for China's major strategies and major areas of development. The Bank continued to enhance the quality and efficiency of corporate bond investment for the real economy and support the growth of high-quality enterprises focusing on the real economy. Its investments covered fields related to national strategies and the industries vital to the national economy and people's livelihood.
- ✧ In terms of foreign currency bond operations, the Bank continued to strengthen the analysis of interest rates and credit, steadily engaged in diversified foreign currency bond investment, took solid steps to manage investment portfolios and increased the scale and income of bond investment. Giving an impetus to RMB internationalization, the Bank steadily advanced "Southbound Connect" bond investment and added momentum to the offshore RMB market activity. The Bank came in first among banking institutions in the selection in 2025 of "Top Investment Houses in Asian G3 Bonds" by *The Asset* for the second consecutive year, cementing and improving its market influence.

## Treasury Trading Business

- ✧ In terms of foreign exchange settlement and sales and foreign exchange trading, the Bank fully enhanced the quality and effectiveness of risk-neutral publicity. Publicity events were carried out in various forms and through multiple channels, and professional guidance was provided for enterprises on using exchange rate hedging tools, so as to help enterprises establish the concept of risk neutrality and effectively manage exchange rate risks. Focusing on the pain points and bottlenecks faced by cross-border enterprises, including difficulties in account opening, settlement and hedging, the Bank released the service plan for direct trading of currencies of Belt and Road countries and emerging markets. The Bank successfully handled the first domestic forward forex settlement/sale transaction in Brazilian real, and the first domestic corporate forex exchange/sale transaction in Zambian kwacha. It continued to expand the product lineup for online trading and the diversity of functions, and comprehensively improved the trading experience for customers.
- ✧ In terms of corporate commodity derivative transactions, the Bank actively sought opportunities for commodity hedging to meet the hedging needs of commodity traders in the real economy.
- ✧ In terms of the over-the-counter ("OTC") bond business, the Bank actively distributed OTC local government bonds to support regional development. The Bank won the "Excellent Underwriter Award for Over-the-Counter Circulating Bonds" and the "Excellent Underwriter Award for Over-the-Counter Local Government Bonds" granted by China Central Depository & Clearing Co., Ltd.

- ✧ In terms of foreign institutional investors trading business in China’s interbank market, the Bank actively served foreign institutional investors from more than 60 countries and regions throughout the world, to meet their needs for investment and trading in China’s interbank market. The Bank won the “Excellent Settlement Agent under Global Connect Business” and the “Excellent Contributors to International Business” granted by China Central Depository & Clearing Co., Ltd.

## **Asset Securitization Business**

- ✧ The Bank took coordinated steps to promote asset securitization projects, making the best use of the existing assets and enhancing the capacity of credit supply. In 2025, the Bank issued 15 non-performing asset-backed securities with a total amount of RMB11,168 million, representing a growth of RMB7,122 million or 176.0% from the previous year.

## **Precious Metal Business**

- ✧ The Bank provided high-quality precious metal products and services. In response to strong market demand, the Bank actively promoted investor education and increased the supply of various gold products to meet customers’ needs for gold asset allocation. Another 263 outlets began to provide repurchase service in the year, effectively expanding the coverage and volume of physical gold repurchase services. The Gold Accumulation Products were launched on JD Finance and Alipay, further expanding customer service channels.
- ✧ The precious metals leasing continued to grow. The Bank expanded precious metal scenarios, optimized the term structure and enhanced support for the manufacturing industry. The Bank increased adaptive financial support for the development of a modern industrial system and met the silver demand of the green and low-carbon industry.
- ✧ The Bank helped build Shanghai and Hong Kong SAR into international financial hubs. It helped insurance funds to pilot investment in the SGE market, and facilitated the listing of gold contracts deliverable in Hong Kong SAR on the SGE International Board. The Bank established agency warehouses for the SGE Main Board in Hainan and Guangxi. The delivery warehouse (Shenzhen) for the SGE International Board carried out the warehousing business steadily.
- ✧ The Bank retained the awards such as the “Excellent Financial Member of the Year – First Prize” and “Best Anti-Money Laundering Member of the Year” granted by the SGE.

## 4.2.5 FinTech

The Bank played its part in boosting self-reliance and strength in science and technology, coordinated high-level security with high-quality development, improved the ECOS technology ecosystem, advanced the D-ICBC program, further implemented the “AI+” Action Plan, and unleashed the digital momentum at a faster pace to build the “Digital and Intelligent ICBC” oriented towards the future.

In 2025, the Bank ranked first among peers by number of disclosed patents and number of patent grants. The Bank was awarded the “Digital Bank of the Year in China” for 2025 by *The Asset* and the “Best Large Language Model Initiative in Asia Pacific” by *The Asian Banker*. The Bank became the only institution in the banking industry included in the National Data Administration’s list of pilot projects for trusted data space innovation and development in 2025. It was also the only bank to obtain the highest-level certification across all capability domains in the business value-based Financial Digital Transformation Maturity Model (FDMM) Assessment by the China Academy of Information and Communications Technology (CAICT). The Bank’s six sci-tech achievements won the PBC’s “FinTech Development Awards”, including the First Prize for two achievements.

### **Strengthening Integrated Security of the Group**

The Bank better prepared itself for worst-case scenarios, strictly controlled technology risks, ensured security of production and operation, optimized the cybersecurity defense system, built solid data security barriers, and supported sound business development with stable security.

- ✧ The foundation of production security was further consolidated. The availability of information systems remained above 99.99%, effectively ensuring the stable operation of information systems at critical time points and during disasters such as earthquakes and typhoons, providing strong support for the business continuity of domestic and overseas institutions and helping enhance the financial service capabilities.
- ✧ The Group-wide security integration was deepened. The Bank improved the security management mechanism, refined the responsibility system for cybersecurity and information security, ensured that cybersecurity officers were appointed at all overseas institutions and domestic subsidiaries, conducted capability assessments for key positions, and strengthened the security performance capabilities of all institutions. The Bank enhanced the efficiency of secure operations, upgraded the integrated platform for the online management of IT assets, production operations and management and cybersecurity posture at the Group level, significantly improving the Group’s penetrative management capabilities. The Bank accelerated the pace of security enhancement, improved the defense in depth system, actively piloted the application of large language model (LLM) for cybersecurity, conducted penetration testing and assessment for outsourced internet applications and intrusion protection of branches and institutions, and strengthened attack-driven defense.

- ✧ The business continuity assurance capacity was steadily enhanced. The production management system was optimized to strengthen standardized management on a tiered and categorized basis. The Bank improved the emergency management system, conducted regular emergency drills, enhanced the emergency response capabilities and the long-term stable takeover capacity of the disaster recovery environment for core business systems, and strengthened the business continuity assurance capacity.
- ✧ The data security governance mechanism was further refined. The Bank improved the institutional framework for data security, deepened the tiered and categorized data protection, conducted regular data security risk assessments and emergency drills, and enhanced the technology-based protection capabilities for data security. Training and publicity were strengthened to continuously enhance all employees' awareness of data security protection.

## **Deepening the Innovative Technology Application and Empowerment**

The Bank leveraged sci-tech innovation as the engine to drive the digital technology ecosystem upgrades and convert technology research results into business value. The research and application of forward-looking technologies were stepped up to empower and expand business scenarios.

- ✧ The technology architecture system was upgraded. The Bank strengthened the top-level design of architecture transformation, and built the ECOS 2.0 digital technology ecosystem characterized by creating a resilient architecture, integrating intelligent data, ensuring security and control, developing cloud-based infrastructure, and achieving flexible agility. The technology roadmaps were iteratively optimized. New achievements were made in critical technologies. The transformation of the core system architecture entered a new stage. The domestic and overseas core systems became more self-supporting and risk-resilient across the board.
- ✧ LLMs were further applied innovatively. The inference performance of models per unit of computing power was enhanced. A heterogeneous computing power platform with unified scheduling was established to provide efficient, flexible and sustainable computing power support for business innovation. The “AI+” Action Plan was carried out. LLMs launched over 500 scenarios in more than 30 business fields, and AI digital employees handling the workloads of 55 thousand persons a year, significantly enhancing the efficiency through AI application.
- ✧ The technological infrastructure construction was advanced. The Bank steadily advanced green digital infrastructure, upgraded the Waigaoqiao Park of the Data Center and carried out the Xi'an Data Center construction project in an orderly manner. The Bank accelerated the evolution of the cloud platform technology system and the deployment of cloud-based infrastructure, and ensure that the information systems of all branches operated fully on the cloud platform. The data architecture system was upgraded, and an engineering implementation framework was developed with a focus on the alignment of corporate products and customers.

## Strengthening D-ICBC Development

The Bank fostered its digital momentum and leveraged digital finance to drive D-ICBC development, injecting digital and intelligent vitality into the real economy.

- ✧ The digital platforms were iteratively optimized. The three major external platforms became stronger. The mobile banking promoted the “GINO (Gong Xiao Zhi)” intelligent interaction features covering high-frequency scenarios such as transfers and wealth management. The number of mobile MAUs exceeded 290 million. The open banking promoted the “Digital Partner Nationwide Tour” program, strengthened the empowerment of key scenarios such as digital tax administration and industrial internet, expanded the service ecosystem for micro, small and medium-sized enterprises, and achieved continuous growth in the number of open banking partners. “ICBC e-Life” enriched the platform features and service ecosystem to cover new financial service scenarios such as air tickets, ride-hailing and trade-in. The three internal platforms were improved. “ICBC Counter Express” was extended to all domestic outlets, effectively supporting the lightweight operation of outlets. “Marketing Express” was upgraded. For the corporate customers, AI agents were used to build up core capabilities including customer insights and product recommendations and expanded marketing scenarios. For personal customers, the AI wealth assistant was launched to create a new model of human-machine collaboration and corporate WeChat marketing. “ICBC e Office” reduced workload and enhanced work efficiency of employees by deepening intelligent applications such as “Gong Xiao Ban”.
- ✧ New financial infrastructures were upgraded. In terms of payment, all the e-CNY business smoothly shifted to the new measurement framework, facilitating the transition of e-CNY from an era of digital cash to that of digital deposit currency. In terms of settlement, “ICBC Global Payment Services” enabled direct settlement of local payments in 44 countries or regions abroad. In terms of clearing, the Bank was among the first institutions linked to the PBC’s Cross-border Payment Connect, e-CNY cross-border payment platform and blockchain payment platform. It accelerated the promotion of the m-CBDC Bridge, seeing a continuous rise in the cross-border clearing size. In terms of custody, the Bank made solid progress in building the new-generation asset custody system, strengthened the support capabilities for global custody services and effectively enhanced the quality and efficiency of sovereign client services.
- ✧ The digital management capacity was enhanced. The Bank further digitalized risk management, strengthened the effort to build and promote the enterprise-level intelligent risk management platform covering nearly 300 decision-making scenarios for risk control, intensified the panoramic monitoring of risks and prevented risk spillovers. The Bank enhanced the quality and efficiency of comprehensive financial services, iteratively upgraded the digital functions of systems to empower the pilot program for the matching of corporate products and customers, and leveraged the Intelligent Brain platform to enhance the product suitability for personal customers. The Bank empowered the sophisticated management of assets and liabilities, and launched an intelligent decision-making hub to provide strong support for optimizing the asset and liability portfolios and making business decisions.

- ✧ The data foundation was consolidated. The Bank continued to enhance data governance, strengthened the development of the enterprise-level data center, established a Bank-wide unified indicator data system and achieved the unified management of over 70 thousand indicators. A data intelligence factory was built and data product shelves were developed to enhance the ability of data integration and application.

## **Enhancing the Efficiency of Technology Governance**

The Bank implemented the state's decisions and plans regarding sci-tech system reform and sci-tech talent development, strengthened the governance of technological foundation, improved the mechanism for sci-tech innovation, stimulated new vitality in the sci-tech talent pool, and continuously enhanced the responsiveness and capacity of financial innovation. In 2025, the Bank invested RMB28,588 million in FinTech.

- ✧ The Bank refined the sci-tech innovation mechanism. It improved the technology systems and mechanisms, gave full play to the multi-tiered review mechanism of the Digital Finance and Financial Technology Committee, and ensured the level and quality of scientific decision-making on major matters. The Bank solidified the governance of technological foundation and enhanced the governance of FinTech ethics to ensure technological innovation moved forward in lockstep with risk prevention and control. The Bank improved the sci-tech resources management system, completed the Group-wide promotion of the sci-tech resources management view and achieved integrated management of sci-tech resources at home and abroad. The Bank built an enterprise-level intelligent R&D platform that covers the entire research and development process, boosting the responsiveness of financial service innovation.
- ✧ The Bank consolidated the technology and data talent pool. The Bank established a Group-wide technology position tags system, and created a panoramic view of technology professionals. It gave full play to FinTech in business innovation, promoting two-way exchanges of technology personnel between the Head Office and branches, and facilitating the in-depth integration of technology and business. The tiered talent pipeline plan was improved to identify and cultivate technological leaders through the "Tech Elite" recruitment brand and sci-tech competitions. With an eye on long-term development, the Bank tilted the allocation of human resources towards key areas including artificial intelligence and cybersecurity, harnessing the FinTech development advantage. The Bank carried out advanced training for data analysts and organized the "Data Elite" practice project to enhance the ability to output data value and collaborative problem-solving skills, so as to boost the data momentum.

## 4.2.6 Internet Finance

The Bank deepened the development of digital financial services and business systems, consolidated the competitive strengths in mobile banking, open banking and cloud banking, translating digital operations into tangible value and continuously improving the intelligent risk control capacity of online platforms. In 2025, digital business accounted for 99% of the total. The Bank retained the awards of the “Best Consumer Digital Bank in China” and the “Best Corporate/Institutional Digital Bank in China” granted by *Global Finance*.

- ✧ New headway was made in mobile banking. In an ongoing effort to create a bank “By Your Side and As Your Trust” in the digital era, the “SmartEnjoy+1.0” new version of mobile banking was launched. The Bank enhanced the intelligent service capacity, provided scenario-based services in the form of intelligent conversational interaction, and introduced diverse financial products including “Tian Tian Ying No. 2”. Based on the upgraded personal benefits service system of ICBC iBonus Point, the Bank launched comprehensive customer benefits such as financial value enhancement and everyday life discounts through integrated marketing campaigns. The core functions, such as payment process and credit card management, were optimized to facilitate personal consumption upgrading. The Bank strove to enhance the simple and light app experience, with its mobile banking app ranked among the top few in terms of ratings in both Apple and Huawei app stores. To strengthen elderly-friendly services and inclusive customer services, the Bank upgraded exclusive services such as the Inclusive Version, the Happy Life version, and the Pension Finance Section. The Bank built an online service system for county and rural customers, serving over 206 million online county-level and rural customers. At the end of 2025, the Bank had 630 million personal mobile banking customers and over 290 million mobile MAUs, both remaining No. 1 in the industry.
- ✧ The Bank advanced financial services innovation in open banking scenarios. The Bank carried out the GBC+ “Digital Partner Long March” campaign. Integrated and customized financial services were provided across government, industry, public wellbeing, and rural service scenarios. Digital financial services were enhanced, including digital tax, industrial internet, online freight, digital agriculture and digital education. Based on the corporate internet (mobile) banking, the Bank further built the “finance + operation + management” digital ecosystem, continued to enrich the services in the “office, payroll, taxation, bills, legal affairs, information and catering” scenarios, and launched the “Operation + 1.0” platform for the operation ecosystem of micro, small and medium-sized enterprises. The sci-tech innovation version of the corporate internet banking was optimized to provide comprehensive financial service solutions for industrial internet platform enterprises and their scientists and engineers. Digital financial services reached over half of the SRDI enterprises across the country. At the end of 2025, the Bank had 18.94 million corporate internet (mobile) banking customers, with 8.36 million MAUs, ranking first in the industry in both customer base and activity.

- ✧ The Bank promoted the digital and intelligent transformation of cloud banking at a faster pace. The AI agent “GINO (Gong Xiao Zhi)” for customer services was upgraded to innovate the customer interaction model. The Bank enhanced the efficiency of human-machine collaboration and customer service experience, staying ahead of peers in terms of intelligent voice service and text service routing rate. It won first place in all four projects of the 2025 Innovative Application Competition for Digital and Intelligent Transformation of Contact Center and Air Banking organized by the China Banking Association.
- ✧ The Bank systematically advanced the development of a digital operation system. The digital strategy AI capabilities of the “Zhike” platform were upgraded to enhance the quality and efficiency of maintaining the entire customer base and also retaining key customer groups and long-tail customers. The Bank strengthened the alignment of products with customers, achieved sophisticated management of customer groups, enhanced the adaptability and accessibility of digital financial services, and better met the financial service needs of customers. The Bank developed and promoted a WeCom-based new marketing service system, and further empowered grassroots employees in marketing and expanded customer services.
- ✧ The Bank enhanced the risk management of internet finance. The Bank promoted intelligent risk control on online platforms, dynamically optimized the risk control rule models, strengthened the application of new risk control technologies such as AI masks against unwanted facial recognition, device fingerprints and remote audio-visual, enhanced the see-through monitoring, identification and blocking of online risky transactions, and deepened the sharing of risk information and joint prevention and control, thereby effectively safeguarding customer funds. The Bank strengthened the business institutionalization, enhanced the content security management of mobile internet applications for financial services for customers and online platforms, and strengthened risk prevention and control of open banking and digital operations. It also strengthened anti-money laundering, anti-telecom fraud, data security management and customer information protection in internet finance, further carried out off-site monitoring of internet finance risks, and improved the business continuity management of online platforms, ensuring the security and stability of business operation.
- ✧ The Bank made steady progress in the e-CNY business. The Bank successfully implemented the reform of including e-CNY in the balance sheet for interest accrual, achieving a systematic upgrade from the cash-oriented Version 1.0 to the deposit currency-oriented Version 2.0. Scenarios were further expanded, with smart contracts widely applied in taxation, elderly care services, sports event services, and the development of prepayment supervision platforms. The Bank was among the first to create links with the PBC’s e-CNY blockchain service platform, and successfully conducted the first transaction on the PBC’s digital asset platform across the industry. The Bank vigorously innovated cross-border payment services, and took the lead in realizing the e-CNY payment for China-Singapore two-way trade. It supported customers in expanding cross-border trade settlements through mBridge and actively gave impetus to the internationalization of e-CNY operation. The Bank was awarded “Best Digital RMB Service Provider in China” by *The Asian Banker*.

## 4.2.7 Outlet Building and Service Improvement

- ✧ The Bank took solid steps to promote the optimization of outlets. It made coordinated efforts to optimize the layout and structure of outlets, making financial services more convenient and accessible. In 2025, 474 outlets were optimized and adjusted, with 187 outlets relocated in major cities and 141 new outlets set up in county-level and township areas. The coverage rate of county-level outlets increased to 87.5%. The layout of outlets has been increasingly adaptable to regional socio-economic resources. At the end of 2025, the Bank had 15,434 outlets, 19,223 self-service banks, 72,026 intelligent devices and 47,017 automatic teller machines (“ATMs”). The transaction volume of ATMs reached RMB3,966.9 billion in the year.
- ✧ The Bank further transformed its outlets towards ecosystem-based livelihood services. The Bank continued to diversify the “ICBC Sharing Station+” scenarios, enhancing the capabilities of acquiring, engaging and retaining customers through these scenarios. A total of over 9,300 featured outlets with pension finance services were established. More than 3,000 “Station + Wealth” Entrepreneurs Service Centers were built. Over 100 “Station + Life” featured outlets with credit card scenarios were incubated. A series of “Cherish the Time” campaigns were carried out through the “ICBC Sharing Station” platform, benefiting more than 10 million members of the public.
- ✧ The service level of outlets was further enhanced. In an ongoing effort to build a bank satisfactory to the people, the Bank identified 1,650 outlets providing star-rated high-standard services, which served as exemplary players for continuous improvements in service level. The Bank innovatively launched an online appointment-based door-to-door service model for elderly customers, providing them with more high-quality, efficient and considerate services. Sound financial services were provided for crucial periods such as the Spring Festival, the Asian Winter Games, the World Games and the National Games.
- ✧ The Bank facilitated the reform of outlet operations in depth. It continued to improve the functions of its next-generation outlet service platform, “ICBC Counter Express”, promoted new models of remote online services, and supported remote processing of complex transactions, such as corporate account opening and personal foreign exchange transactions. Operating procedures were streamlined with a focus on account unlocking and wealth inheritance at outlets, so as to reduce the processing time. The user interfaces of intelligent devices were upgraded to enhance the interactive voice response (IVR) features of digital employees and improve the user experience. Outlet appointment services were promoted across the Bank, with improved customer identification and guidance.

- ✧ The Bank deepened the digital empowerment of operations. It launched the first in-branch LLM application of serving customers in China’s financial sector, reshaping the business processing model of self-service terminals through conversational interaction. It was awarded the “2025 Best AI for Operational Process Automation Initiative in China” by *The Asian Banker*. The Bank innovated the electronic voucher service model, loaded unified accounting data standards onto digital invoices and electronic receipts, and sought to make the entire process digital and paperless. The Bank’s Application Case of Electronic Voucher Accounting Data Standards was recognized as a typical case by the MOF. The Bank successfully completed the first batch of electronic confirmation trials in the securities industry, and became one of the first financial institutions to be announced as offering electronic confirmation services in the securities industry by the Securities Association of China and the China Banking Association.
- ✧ The Bank continued to enhance customer services and experience. It strengthened the digital management of customer experience, enhanced service issue monitoring through the Dual-voice Customer Experience Management System, conducted customer satisfaction evaluation, iteratively optimized product services, and improved the service quality and efficiency. The Bank promoted a new model of centralized, digital and intelligent processing of customer complaints in cloud banking, strengthened online problem resolution, online complaint mediation, and centralized processing of service tickets, and continued to enhance the ability to address customer demands online in a one-stop manner, effectively improving service levels.
- ✧ The Bank deepened omni-channel integration. While remaining customer-centric, the Bank continued to improve the omni-channel service matrix that balances proprietary and open channels and integrates online and offline services. This matrix focused on customer service platforms, including mobile banking, open banking and cloud banking, supplemented by digital service tools like WeCom, official accounts, applets and cloud outlets. Online and offline channels were integrated and mutually complementary to enhance the service system featuring “one-point access, all-channel response and digital synergy”. Through channel integration and system connectivity, the Bank boosted the integration of operational capabilities and the coordination of service strategies, making customer services more targeted.
- ✧ The Bank coordinated the business continuity management across the board. The Bank continued to optimize the Group’s business continuity management system, introduced external assessment management requirements, enhanced the disaster recovery capabilities of critical information systems and streamlined the Group’s emergency response procedures. It strengthened the capabilities of monitoring, early warning and emergency response, and created a monitoring and early warning system covering key areas such as monitoring of outlet operation, enabling multi-dimensional monitoring of business continuity operations. The Bank improved the assessment and enhancement mechanism of the business continuity management system and conducted regular assessments, enhancements and audits of the business continuity management system.

## 4.2.8 Human Resources Management, Employees and Institutions

### Human Resources Management

- ✧ With the focus on high-quality development of operations, centering on key areas of business development and competition, the Bank allocated human resources in a coordinated manner and improved operating capability by enhancing the quality and efficiency of human resources. With a focus on the “Five Priorities” of technology finance, green finance, inclusive finance, pension finance and digital finance, the Bank enhanced the teams building of front-office marketing, credit risk control, technology, data and new forms of business, continuously improved the talent cultivation, motivation, and utilization mechanisms, strengthened performance capability of personnel, and strove to build a strong financial talent team that meets the requirements of building China into a country with strong financial sector. The Bank promoted in-depth integration of technology, data, and business talents, enhancing the level of sci-tech data empowerment for business development.
- ✧ The Bank actively cultivated and practiced financial culture with Chinese characteristics, strengthened probity culture development in the new era, in order to provide cultural support for the high-quality development of the Bank. A symposium on financial culture with Chinese characteristics was held to systematically review experiences and practices of the Bank. The Bank developed training courses on financial culture with Chinese characteristics, and carried out rich and colorful cultural activities, guiding all employees to establish correct business ethics, performance views, and risk awareness. The Bank further developed probity culture education bases, produced a series of warning and educational films, developed courses of probity culture and carried out targeted and layered probity education, enhancing all employees’ awareness of probity and self-discipline and reinforcing their ability to resist corruption.
- ✧ Focusing on implementing the “Cadre Education and Training Plan” in the new era, ICBC launched a series of key training programs, to effectively facilitate training of various levels and types, and continuously enhance the comprehensive quality and performance capability of cadres and employees. Aligning with the core mission of the “five transformations”, the Bank built a specialized training system, and implemented tiered, systematic, and practical programs. Emphasis was placed on deepening training for the core talent pool for the “Five Priorities” of technology finance, green finance, inclusive finance, pension finance and digital finance, to effectively support the transformation development of the Bank. A series of training programs were conducted for the “key few” of institutions at all levels, enhancing the dual-responsibility capabilities of leadership team members. The Bank strengthened integrity and self-discipline awareness among key positions and key area personnel, forging a clean and honest cadre team. Centered on the entire talent development lifecycle, the Bank constructed a comprehensive and systematic training system, implementing Global Leadership Development Program, “ICBC Star Program” for new employees and Outlet Heads Training Program, advancing the “Sword

Sharpening Program”, “Elite Program”, and local employee market research training for overseas institutions, all of which were designed to foster the growth and professional development of cadres and employees. The Bank refined examination and certification mechanism and streamlined the exam items for tier-two branches, reducing the burden on the grassroots while empowering them. By advancing digital transformation of training and accelerating the development and sharing of high-quality training resources, the Bank continuously elevated the standardization and effectiveness of education and training.

## **Remuneration Policy**

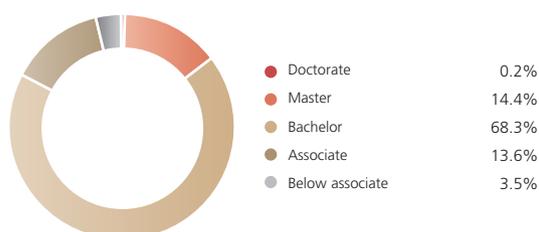
- ✧ The Bank adopted a remuneration policy that is in line with corporate governance requirements, in combination with high-quality development targets, in adaptation to the risk management system and talent development strategy, and well-matched with employees’ value contribution, so as to advance the sound operation and high-quality development of the whole bank. The Bank’s remuneration management policy was formulated and adjusted in strict accordance with applicable national regulations, regulatory requirements and corporate governance procedures. The Bank continuously optimized the remuneration resource allocation mechanism with value creation as the core, resolutely maintained a fair allocation concept of incentives commensurate with restraints, transmitted the Group’s strategic objectives for business management, and allocated more remuneration resources to the grassroots employees, for the purpose of mobilizing and inspiring the business vitality of institutions at all tiers.
  
- ✧ The Bank’s employee remuneration consisted of basic remuneration, performance-based remuneration and welfare income. In particular, the basic remuneration depended on an employee’s value contribution and ability to perform duties, and the performance-based remuneration was based on the overall situation of the Bank, the employee’s institution or department, and the employee’s personal performance measurement results. Meanwhile, the performance-based remuneration to the Senior Management and employees in positions that have a significant influence on risks was subject to a deferred payment and recourse deduction mechanism, so as to balance risks and incentives. For employees who violated regulations and disciplines or had abnormal exposure to risk losses within their duties, their performance-based remuneration for the corresponding period shall be deducted, withheld and recovered according to the severity of the violation. During the reporting period, according to relevant measures, the Bank deducted, withheld or recovered payment of corresponding performance-based remuneration to employees who were subject to disciplinary action or other treatments due to violation of regulations and disciplines or abnormal exposure of risk losses within their duties.

✧ The Bank's 2025 remuneration plan was prepared and implemented as per the internal decision-making process. The execution of total annual salaries was reported to the authority for filing according to national regulations. During the reporting period, the Bank's Senior Management fulfilled the indicators concerning economic, risk and social responsibilities well, and the final results will be determined after deliberation by the Board of Directors.

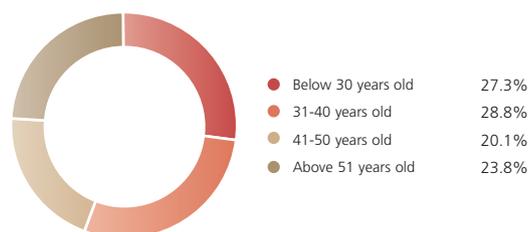
## Basic Information on Employees and Institutions

✧ As at the end of 2025, the Bank had a total of 409,758 employees, including 6,559 employees in domestic subsidiaries, and 15,439 in overseas institutions. The Bank's employee gender ratio and age distribution remained balanced, and the educational backgrounds and professional experience demonstrated diversity, showing no significant change from the end of last year. The Bank respects the individual differences among employees and attaches great importance to the rationality and inclusiveness of the staff composition. It will continue to pay attention to the composition of its employees in terms of gender, age, educational background and professional experience, strengthen tracking and monitoring in areas such as personnel exit and recruitment, and take effective measures to maintain an overall balance in staff structure.

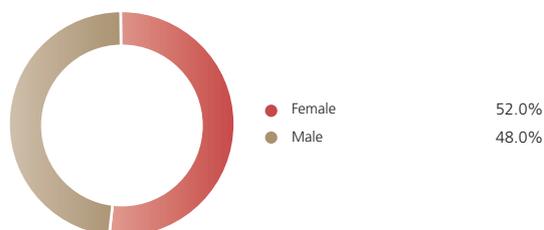
Structure of employee educational background



Structure of employee age



Structure of employee gender



Structure of employee specialization



- ✧ As at the end of 2025, the Bank had a total of 16,246 institutions, representing a decrease of 137 as compared with the end of the previous year. Among them, there were 15,836 domestic institutions and 410 overseas ones. Domestic institutions included the Head Office, 37 tier-one branches and branches directly managed by the Head Office, 463 branches in capital cities and tier-two branches, 15,179 outlets, 22 institutions directly managed by the Head Office and their branches, and 134 controlled subsidiaries and their branches.

#### GEOGRAPHIC DISTRIBUTION OF ASSETS, INSTITUTIONS AND EMPLOYEES AT THE END OF 2025

Item	Assets		Number of institutions	% of total institutions	Number of employees	% of total employees
	(in RMB millions)	% of total assets				
Head Office	6,422,934	12.0	23	0.1	22,407	5.5
Yangtze River Delta	14,825,133	27.7	2,491	15.3	60,440	14.8
Pearl River Delta	9,125,421	17.1	1,919	11.8	46,891	11.4
Bohai Rim	8,087,272	15.1	2,629	16.2	64,178	15.7
Central China	6,184,419	11.6	3,355	20.7	73,535	17.9
Western China	6,909,241	12.9	3,552	21.9	81,615	19.9
Northeastern China	1,836,510	3.4	1,733	10.7	38,694	9.4
Overseas and others	4,870,964	9.1	544	3.3	21,998	5.4
Eliminated and unallocated assets	(4,784,121)	(8.9)				
<b>Total</b>	<b>53,477,773</b>	<b>100.0</b>	<b>16,246</b>	<b>100.0</b>	<b>409,758</b>	<b>100.0</b>

Note: Overseas and other assets include investments in associates and joint ventures.

## 4.2.9 International Operation

In the global operation with international perspective, the Bank has made constant efforts to improve its operation system both in and outside China, integrating local and international currencies. Leveraging on its global operation edge, the Bank has been constantly sharpening cross-border financial services, with a view to supporting high-quality implementation of the Belt and Road Initiative and China's high-level opening-up.

- ✧ The Bank further served the high-level opening-up of China. It optimized comprehensive financial services for cross-border e-commerce and other new forms of business, and launched the “Chunrong Action 2025” and “ICBC e Trade” new-form foreign trade service system. It also led the industry in launching cross-border coordination solutions for cross-border e-commerce payment collections by small and micro enterprises, launched the overseas version of the Cross-border e-Business Connect, in a bid to build a “self-supporting, risk-controllable, secure, and efficient” cross-border payment system. The Bank continued to promote the “single window” financial services for customs clearance and boosted trade facilitation, handling USD6,481 million of cross-border remittances in 2025. The Bank satisfied foreign exchange customers' cross-border integrated financial service needs in an all-round way, promoted the structural diversification of foreign investment and foreign trade customers, provided global comprehensive services for foreign-invested enterprises across the entire capital chain and all financial scenarios, and helped attract more long-term capital to develop business in China. The Bank continued to improve the joint prevention and control mechanism for international banking risk management, steadily advanced product-customer-risk matching management and effectively promoted the high-quality development of foreign exchange business in a secure and prudent manner.
- ✧ The Bank supported the construction of a new development pattern and promoted the internationalization of the RMB. The Bank continued the “Chunxu Action” to provide solutions for global market participants in cross-border RMB business such as cross-border settlement, investment and financing as well as risk management. Innovative services were provided to meet the business needs of multinational companies in trade settlement and treasury management, thereby helping attract and utilize foreign capital on a greater scale. The Bank was authorized to act as a RMB clearing bank in Turkey, increasing the number of its overseas RMB clearing houses to 12. The Bank fully leveraged the active role of clearing banks in cultivating offshore RMB market, continuously strengthened the construction of clearing infrastructure, enhanced clearing service capabilities, and supported steady development of the offshore RMB market. Serving high-quality development of free trade zones, the Bank became the first bank to cover FT accounts in all five free trade zones in Shanghai, Hainan, Guangdong, Shenzhen and Tianjin. In 2025, the Bank's cross-border RMB business exceeded RMB10 trillion.

- ✧ International cooperation was enhanced continuously. As the chair of the BRICS Business Council Chinese Chapter, the Bank lived up to its responsibilities and effectively served the multilateral cooperation among BRICS countries. The Bank has been facilitating the upgrading of China-Europe economic and trade relations relying on China-Europe Business Council (“CEBC”). The Bank strengthened the Belt and Road Bankers Roundtable (“BRBR”) mechanism to promote high-quality development of the Belt and Road. The Bank held the ASEAN-China-Japan-ROK Industrial Chain and Supply Chain Matchmaking Conference to promote regional collaboration and the sustainable development of industrial chains and supply chains. The Bank actively served international exhibitions, including China International Import Expo, China Import and Export Fair, China International Fair for Trade in Services and China International Supply Chain Expo, to facilitate high-level opening up.
- ✧ Global network was developed, strengthening cross-border financial servicing capacity. As at the end of 2025, the Bank had been operating 410 overseas institutions in 49 countries and regions, together with further 21 African countries through shareholding in the Standard Bank Group. In total, the Bank had 250 institutions in 30 Belt and Road Initiative participating countries. The Bank also entered into business relationships with more than 1,400 foreign banks in 144 countries and regions. Its service network has full coverage of six continents and key international financial centers around the world.
- ✧ A momentum of stable growth was sustained by overseas operations amidst complicated challenges, with solid progress made in the “five transformations”. The Bank continuously enhanced global financial service capabilities in terms of corporate loans, investment banking and asset management, financial markets, settlement and clearing, asset custody and retail finance. It strengthened integrated marketing both in and outside China with RMB and foreign currencies, thereby improving the global financial service system for customers.

## MAJOR INDICATORS FOR OVERSEAS INSTITUTIONS

Item	Assets (in USD millions)		Profit before taxation (in USD millions)		Number of institutions	
	At the end of 2025	At the end of 2024	2025	2024	At the end of 2025	At the end of 2024
Hong Kong SAR and Macao SAR	214,772	206,670	759	1,126	105	96
Asia-Pacific Region (except Hong Kong SAR and Macao SAR)	164,240	144,381	1,803	1,700	87	88
Europe	105,933	87,152	1,025	771	64	70
America	56,436	40,157	261	349	153	153
African Representative Office	–	–	–	–	1	1
Eliminations	(54,139)	(44,509)				
<b>Subtotal</b>	<b>487,242</b>	<b>433,851</b>	<b>3,848</b>	<b>3,946</b>	<b>410</b>	<b>408</b>
Investment in Standard Bank <sup>(1)</sup>	4,373	3,692	558	456		
<b>Total</b>	<b>491,615</b>	<b>437,543</b>	<b>4,406</b>	<b>4,402</b>	<b>410</b>	<b>408</b>

Note: (1) The assets represent the balance of the Bank's investment in Standard Bank and the profit before taxation represents the Bank's gain on investment recognized by the Bank during the reporting period.

- ✧ As at the end of 2025, total assets of the Bank's overseas institutions (including overseas branches, overseas subsidiaries and investment in Standard Bank) were USD491,615 million, representing 6.4% of the Group's total assets. Specifically, total loans amounted to USD187,631 million, and due to customers was USD184,135 million. Profit before taxation during the period was USD4,406 million, accounting for 7.3% of the Group's profit before taxation.

## DISTRIBUTION OF OVERSEAS INSTITUTIONS

### Asia-Pacific Region (except Hong Kong SAR and Macao SAR)

#### Institutions (country/region)



Tokyo Branch (Japan)	Yangon Branch (Myanmar)
Seoul Branch (South Korea)	ICBC (Almaty) (Kazakhstan)
Busan Branch (South Korea)	Karachi Branch (Pakistan)
Mongolia Representative Office (Mongolia)	Mumbai Branch (India)
Singapore Branch (Singapore)	Dubai (DIFC) Branch (UAE)
ICBC (Indonesia) (Indonesia)	Abu Dhabi Branch (UAE)
ICBC (Malaysia) (Malaysia)	Doha Branch (Qatar)
Manila Branch (Philippines)	Riyadh Branch (Saudi Arabia)
ICBC (Thai) (Thailand)	Kuwait Branch (Kuwait)
Hanoi Branch (Vietnam)	Sydney Branch (Australia)
Ho Chi Minh City Representative Office (Vietnam)	ICBC (New Zealand) (New Zealand)
Vientiane Branch (Lao PDR)	Auckland Branch (New Zealand)
Phnom Penh Branch (Cambodia)	

### America

#### Institutions (country/region)



New York Branch (USA)	ICBC (Peru) (Peru)
ICBC (USA) (USA)	ICBC (Argentina) (Argentina)
ICBC (Canada) (Canada)	ICBC Investments Argentina (Argentina)
ICBC (Mexico) (Mexico)	Inversora Diagonal (Argentina)
ICBC (Brasil) (Brazil)	Panama Branch (Panama)

### Hong Kong SAR and Macao SAR

#### Institutions (country/region)



Hong Kong Branch (Hong Kong, China)	ICBC (Macao) (Macao, China)
ICBC (Asia) (Hong Kong, China)	Macao Branch (Macao, China)
ICBC International (Hong Kong, China)	

### Europe

#### Institutions (country/region)



Frankfurt Branch (Germany)	ICBC (London) (UK)
Luxembourg Branch (Luxembourg)	London Branch (UK)
ICBC (Europe) (Luxembourg)	ICBC Standard Bank (UK)
Paris Branch (France)	Bank ICBC (JSC) (Russia)
Amsterdam Branch (the Netherlands)	ICBC Turkey (Türkiye)
Brussels Branch (Belgium)	Prague Branch (Czech Republic)
Milan Branch (Italy)	Zurich Branch (Switzerland)
Madrid Branch (Spain)	ICBC (Austria) (Austria)
Warsaw Branch (Poland)	
Greece Representative Office (Greece)	
ICBC (Macao) Lisbon Representative Office (Portugal)	

### Africa

#### Institutions (country/region)



Investment in Standard Bank (South Africa)
African Representative Office (South Africa)

## 4.2.10 Comprehensive Operation and Subsidiary Management

The Bank remained committed to serving national strategies and the real economy, focused on main business, refined specialized business, and formed a multi-field integrated development layout covering fund, leasing, insurance, debt-for-equity swap, wealth management, FinTech, overseas investment banking, etc., making comprehensive financial services increasingly adaptive, competitive and inclusive.

The Bank continued to refine the Group's integrated governance system, and built an integrated domestic subsidiary management system focusing on "preventing risk, enhancing compliance and promoting development" to further improve the management efficiency of the headquarters of the Group. Domestic subsidiaries were caused to integrate Party building with corporate governance in depth. All subsidiaries optimized the corporate governance mechanism, giving full play to the performance efficacy of their boards of directors and building their core competitiveness. Meanwhile, the Bank optimized the strategic evaluation mechanism and promoted deep and accurate transmission of the Group's strategy to subsidiaries. The Bank coordinated the diversified operation strategy with the internationalization strategy. The "subsidiary-specific policy" strengthened subsidiary planning management and enhanced business coordination. The Bank completed the integration of relevant businesses, assets and liabilities of Bank of Jinzhou in compliance with laws and regulations. Subsidiaries were guided toward the "five transformations" and "Five Priorities" to further boost their ability to serve customers, create value and compete with other market entities.

The Enterprise Risk Management System covering the risk characteristics of integrated subsidiaries was refined. Based on the risk management route of "comprehensive management, active prevention and smart control", the Bank intensified the coordinated management of "9+X" categories of risks, fully implemented the "Five-pronged Risk Management Approach"<sup>1</sup>. It pressed ahead with IT development, data governance and digital and intelligent transformation of subsidiaries, empowering business transformation and high-quality development. The Bank enhanced consolidated management, authorization management and see-through management of subsidiaries, strengthened systematic, standardized and intelligent management of equity investment information. Meanwhile, the Bank stepped up efforts in the building of the three lines of defense of subsidiaries, improved risk prevention & control and internal control and compliance capabilities of subsidiaries, and pursued prudent operation and high-quality development.

---

<sup>1</sup> "Five-pronged Risk Management Approach" refers to the unified risk management approach to domestic and overseas institutions, on- and off-balance sheet businesses, commercial banking & investment banking and other businesses, online and offline businesses, the Head Office and subordinated institutions.

## ◆ ICBC UBS Asset Management

ICBC UBS Asset Management is primarily engaged in various asset management businesses (including mutual funds, pension funds, separately managed accounts, special portfolios and cross-border services) and such other businesses as approved by CSRC. It is one of the “fully qualified” fund companies in the industry.

- ✧ The Bank actively served the wealth management needs of the people. It continued to enhance the professional capabilities in investment research, with investment performance of equity funds and bond funds remaining at the forefront among major peers, and was awarded the “Golden Bull Award for Fund Management Company” at the 22<sup>nd</sup> Golden Bull Awards held by *China Securities Journal*. ICBC UBS Asset Management improved investor services and deepened investor protection and investor education, still evaluated as excellent in the assessment of the national securities and futures investor education base. It actively implemented the fee reform requirements of mutual funds, continued to reduce fund fees and pass on benefits to investors, and launched the “ICBC Hong Yu Return”, one of the first approved funds with floating management fee rates.
- ✧ ICBC UBS Asset Management actively served the capital market reform and the development of new quality productive forces. It strengthened the development of equity funds and achieved rapid growth in passive equity products such as ETFs, injecting vitality into the capital market development. It strengthened long-term investments and value investments, with stock investments expanding by nearly 60% compared to the previous year. In alignment with national strategies and industrial upgrades, ICBC UBS Asset Management stepped up investment support for technology finance and green finance, which saw an increase in both balance and share of investment.
- ✧ ICBC UBS Asset Management actively served the development of the pension security system and the stable growth of pension funds. It strengthened the development of the three-pillar pension investment management including social security, annuities and private pension. It enhanced the pension customer service capabilities, improved investment performance and vigorously attracted long-term funds. The pension investments under management exceeded RMB1.2 trillion, leading the industry by investment performance.
- ✧ At the end of 2025, ICBC UBS Asset Management managed 272 mutual funds and 653 annuities, separately managed accounts and special portfolios, with assets under management totaling RMB2.37 trillion.

## ◆ ICBC Leasing

ICBC Leasing is mainly engaged in the financial leasing of large-scale equipment in key areas such as aviation, shipping, energy and electric power, rail transit, equipment manufacturing and SRDI enterprises. It provides a range of financial and industrial services such as the transfer of leasing assets, asset trading and asset management.

- ✧ ICBC Leasing further improved the “One Core, Two Wings” layout of the aviation business, consolidating its global leadership in aircraft leasing. It further boosted its strategic synergy with Commercial Aircraft Corporation of China, ranking first by both the orders and deliveries of C919 and C909 domestic aircraft among commercial aircraft leasing companies, and facilitating the global commercial operation of Chinese-made aircraft. ICBC Leasing entered into the operating lease business for aircraft engines with several domestic airlines, creating the first large-scale civil aviation backup engine depot in China. ICBC Leasing worked together with local enterprises in the low-altitude economy sector to explore the development path for homegrown low-altitude aircraft, created a sales, operation and valuation system, developed a first-mover advantage in the blue-ocean market of financing lease for manned low-altitude aircraft, and enhanced the capability of aviation finance services in all scenarios.
- ✧ ICBC Leasing enhanced its professional strengths in the shipping sector. It injected financial resources into the shipbuilding industry chain, providing all-round support for the export of high-end vessels. It pressed ahead with the shipping finance business in the context of RMB internationalization, and implemented a number of landmark projects. It acted on the philosophy of green development, served the carbon neutrality drive of the International Maritime Organization (IMO), and supported the development of green ship technologies. ICBC Leasing followed up on updated plans for capacity expansion of central and state-owned enterprises in the shipping industry, promoted the transformation and upgrading of domestic vessels, and took concrete actions to support Chinese shipbuilding industry and shipping industry.
- ✧ ICBC Leasing scored multiple breakthroughs in the transformation of the domestic sector. It further expanded its presence in strategic emerging industries of the country, such as integrated circuits and energy storage batteries, and entered into customized cooperation with major internet companies in new infrastructure development. ICBC Leasing expanded support for the emerging energy storage market within the green energy industry chain, and implemented its first geothermal project. In the fields of advanced manufacturing and sci-tech innovation, it provided targeted support for key links of the information industry chain, and supported the growth of high-quality enterprises including SRDI enterprises and “Little Giants” firms, high-tech enterprises, gazelle companies, and individual manufacturing champions.
- ✧ ICBC Leasing supported the development of Hainan Free Trade Port. ICBC Leasing opened its management-oriented project company before Hainan Free Trade Port launched the island-wide independent customs operation. It delivered three aircraft and signed contracts for nine bulk carriers in 2025. The “ship leasing + factoring” business was named a case of financial service innovation in Hainan Free Trade Port.

- ✧ In 2025, ICBC Leasing won the “Tengfei Award – Most Influential Financial Leasing Company of the Year” at the Global Leasing Industry Competitiveness Forum, and was named one of the “Top 50 Green Leasing Companies in China” by the Shanghai Leasing Industry Association.

#### ◆ ICBC-AXA

ICBC-AXA operates various insurance businesses such as life insurance, health insurance and accident insurance, as well as reinsurance of the aforesaid businesses, businesses permitted by national laws and regulations to use insurance funds and other businesses approved by regulatory authorities.

- ✧ ICBC-AXA expanded its product offerings across the board. Focusing on the diverse needs of customers, it accelerated the transition to variable-return products and developed a diverse matrix of participating insurance products that covers all channels. It further innovated the pension finance products and vigorously developed the personal pension business. It launched the long-term care insurance product “Sheng An Kang”, filling the gap in the long-term care insurance market. ICBC-AXA consolidated its protection-oriented product line, and expanded the supply of critical illness, medical care and other health protection products to meet customers’ various risk protection needs.
- ✧ ICBC-AXA enhanced the quality and efficiency of customer services. It built a “2+N” value-added service system for health and elderly care products centered on “Yu Wei Lai” and “Sheng Hua Nian”. The “Yu Wei Lai” service reached nearly one million customers. The “Sheng Hua Nian” service covered nearly 80 thousand people, and the cooperative elderly care organizations expanded to 18 locations in 13 cities. ICBC-AXA upgraded the diverse and multi-tiered customer benefits system covering all scenarios, benefiting the broadest customer base. It deeply participated in the development of the “Insurance Code” platform to enhance customer service experience.
- ✧ ICBC-AXA made progress in the “Five Priorities” of finance. In the field of pension finance, the commercial insurance annuity business developed rapidly, with the regular premium increasing by 19 times year on year. In the field of inclusive finance, ICBC-AXA developed exclusive gift insurance schemes and accelerated implementation of the Huimin Insurance program. In the field of technology finance, it gave priority to industries with new quality productive forces, boosted the synergy of investments across all products, and increased investment in technology finance. In the field of green finance, it deepened green operations, increased investments in the green sector, and enriched the system of green insurance asset management products. In the field of digital finance, it successfully launched the “ICBC Intelligent Insurance” policy diagnosis and configuration recommendation system, effectively enhancing the insurance allocation capabilities and service efficiency of the sales team. The “SmartWin Outlets” project was awarded the “Outstanding Digital Insurance Project of the Year” at the 2025 Golden Insurance Awards.

## ◆ ICBC International

ICBC International is a wholly owned subsidiary of the Bank in Hong Kong SAR, China. Its business scope covers sponsorship and underwriting for listing, underwriting for bond issuance, financial consulting, direct investment, sales and trading, asset management, market research, etc., and it provides all-round cross-border comprehensive financial services for corporate and personal customers.

- ✧ Focusing on its major responsibilities and core businesses, ICBC International strove to shape a “five-in-one” business landscape featuring balanced and coordinated development of investment banking, sales and trading, investment, asset management and investment research services. ICBC International was deeply involved in building Hong Kong SAR into an international financial hub. In 2025, ICBC International completed two Hong Kong IPO sponsorship projects and 37 Hong Kong IPO underwriting products, and participated in 126 bond underwriting projects. The size of green bond underwritings hit a record high. Seizing the strategic opportunities in RMB internationalization, ICBC International systematically upgraded the service framework for trading-based financial products. The securities brokerage business maintained its competitiveness among peers. ICBC International closely followed the national strategic guidance and the development direction of key industries to meet the investment and financing demands in sectors such as information technology, advanced manufacturing, biomedicine and green shipping. It gradually enriched the cross-border asset management product service system, with a focus on promoting direct investment, separately managed accounts and investment advisory services in the China interbank bond market, and accelerated the development of business such as funds of funds (FOFs) and alternative asset management. Unleashing its strengths in investment research, ICBC International launched its “ICBC International New Quality Productive Forces Stock Index” on Wind and Bloomberg terminals, making the index increasingly influential in the market.
- ✧ In 2025, ICBC International won the “Best Bond Advisor in Hong Kong” award from *The Asset* for six consecutive years, the “Good MPF Employer Award” from Hong Kong’s Mandatory Provident Fund Schemes Authority for five consecutive years, and the “Best Bond Bank in Asia-Pacific” from *Global Finance* for the first time.

## ◆ ICBC Investment

ICBC Investment is one of the first institutions in China to pilot debt-for-equity swaps of banks. It holds the franchise license of non-bank financial institution and is mainly engaged in debt-for-equity swaps and supporting businesses, and carries out pilot equity investment through affiliates.

- ✧ By giving full play to its debt-for-equity swap license and professional expertise and focusing on the two major tasks of serving the real economy and preventing and defusing financial risks, ICBC Investment strengthened the bank-corporate cooperation and the investment-lending coordination, improved integrated financial services that combine equity and debt, enriched the varieties of debt-for-equity investment plans and private equity fund products, and made steady progress in the quality development of market-based debt-for-equity swap businesses. Meanwhile, ICBC Investment greatly supported

enterprises in reducing and stabilizing leverage, enhancing strength, and promoting reforms. It continuously enhanced the ability and effectiveness of risky asset disposal across the Group, played an active role in the formulation of corporate debt restructuring, debt-for-equity swap plans and reorganization plans, standardized corporate governance and production & operation activities, helped enterprises tide over difficulties through reform and continuously improved the asset quality of banks. It actively promoted pilot equity investment and continued to strengthen its support for sci-tech innovation enterprises, leading the industry in both fund size and project investment volume. Further playing its active role as a shareholder, ICBC Investment dispatched directors and supervisors to the debt-for-equity swap enterprises according to law, got deeply involved in the corporate governance, and promoted the healthy and sustainable development of such enterprises.

- ✧ In 2025, ICBC Investment was named one of the “Top 30 China Private Equity Limited Partners in 2025” by CVINFO, and also awarded the “Best Partner of 2025” by the Beijing Stock Exchange.

#### ◆ ICBC Wealth Management

ICBC Wealth Management mainly engages in the issuance of wealth management products, wealth management advisory and consulting services as well as other activities approved by the NFRA.

- ✧ ICBC Wealth Management refined and deepened its work on the “Five Priorities” of finance. It adhered to a multi-market, multi-asset, and multi-strategy business layout, strengthened the innovation of option-embedded as well as medium- to long-term products, and helped more inclusive and elderly customer groups to protect and increase their wealth. Actively aligning with major national strategies, it front-loaded the investments in sci-tech innovation bonds, accelerated the expansion of equity investments in the primary and secondary markets for technology finance and green finance, and actively explored the wealth management paths for supporting sci-tech innovation and green transition. ICBC Wealth Management pressed ahead with the “Digital ICBC WM” initiative, leveraged technologies to empower the entire chain of marketing, investment research, risk control and operation, and created a new model of value creation driven by digital and intelligent transformation.

- ✧ ICBC Wealth Management endeavored to become a wealth management company satisfactory to the people. Adhering to the customer-centric service philosophy, it focused on key scenarios such as idle money management, liquidity management, and cash flow, and launched products like “Tian Tian Ying No. 2” and “Huo Qian Tong No.2”. Focusing on enhancing customer experience and expanding service boundaries, ICBC Wealth Management upgraded and scaled up scenario-based functions including “Automatic Investment Plan”, “WM Night Market”, “Zhi Xiang Huan”, “Dividends” and “7\*24 Quick Redemption”. In the year, ICBC Wealth Management participated in over 30 new investment projects such as Hong Kong stock IPOs and initial offerings of public REITs, helping clients seize more good investment opportunities.
- ✧ ICBC Wealth Management enhanced the quality and effectiveness of companionship. In response to the wealth management and investment demands of the general public, ICBC Wealth Management built a “product – philosophy – consulting – consumer protection” investor education content system, fostering a scientific investment mindset among customers. ICBC Wealth Management carried out in-depth financial education publicity events, built the “Clear Management, Clean Wealth – Better Life House” WM investment education space and carried out a series of publicity events, including the “Financial Knowledge into Campus”, the “County-area Consumer Protection Tour” and the “Protecting Your Money and Family Wellbeing”. In 2025, ICBC Wealth Management won nearly 30 industry-recognized awards. It was awarded the “People’s Craftsmanship Brand Award” by People.cn for four consecutive years and the “Golden Bull Award for Bank Wealth Management” by *China Securities Journal* for six consecutive years.
- ✧ At the end of 2025, the balance of the products of ICBC Wealth Management reached RMB2.09 trillion, all of which were net-worth products.

## WEALTH MANAGEMENT PRODUCTS OF ICBC WEALTH MANAGEMENT THAT WERE ISSUED, MATURED, AND EXISTING DURING THE REPORTING PERIOD

In RMB millions, except for tranches and percentages

Item		At 31 December 2024		Products issued		Matured products		At 31 December 2025		Percentage (%)
		Number of tranches	Amount	Number of tranches	Amount	Number of tranches	Amount	Number of tranches	Amount	
Classified by fundraising method	Publicly offered	890	1,885,335	600	162,956	479	165,044	1,011	2,037,275	97.4
	Privately offered	178	76,016	122	47,156	138	71,482	154	53,965	2.6
Classified by investment type	Fixed-income	797	1,877,046	661	165,990	493	180,049	965	1,990,678	95.2
	Equity	36	2,370	–	–	4	555	32	1,571	0.1
	Hybrid	235	81,935	61	44,122	120	55,922	168	98,991	4.7
<b>Total</b>		<b>1,068</b>	<b>1,961,351</b>	<b>722</b>	<b>210,112</b>	<b>617</b>	<b>236,526</b>	<b>1,165</b>	<b>2,091,240</b>	<b>100.0</b>

## DIRECT AND INDIRECT INVESTMENTS OF ICBC WEALTH MANAGEMENT IN WEALTH MANAGEMENT PRODUCTS AS AT THE END OF 2025

In RMB millions, except for percentages

Asset type	Amount	Percentage (%)
Cash, deposits and reverse repurchase agreements	927,323	43.3
Bonds	945,456	44.1
Non-standard debt assets	40,006	1.9
Other assets <sup>(1)</sup>	228,643	10.7
<b>Total</b>	<b>2,141,428</b>	<b>100.0</b>

Note: (1) Other assets include equity assets, financial derivatives, QDII and mutual funds.

## 4.2.11 Major Controlled Subsidiaries and Equity Participating Company

### ◆ Major Overseas Subsidiaries

Institution	Principal business	At 31 December 2025			2025
		Issued share capital/ paid-in capital	Total assets (in USD millions)	Net assets (in USD millions)	Net profit (in USD millions)
Industrial and Commercial Bank of China (Asia) Limited	Commercial banking	HKD44,188 million	127,165.27	21,186.96	939.46
ICBC International Holdings Limited	Investment banking	HKD5,963 million	6,635.60	696.46	(390.93)
Industrial and Commercial Bank of China (Macau) Limited	Commercial banking	MOP589 million	48,328.75	3,980.61	16.57
PT. Bank ICBC Indonesia	Commercial banking	IDR3.71 trillion	3,602.57	468.55	34.01
Industrial and Commercial Bank of China (Malaysia) Berhad	Commercial banking	MYR833 million	1,503.53	377.39	19.38
Industrial and Commercial Bank of China (Thai) Public Company Limited	Commercial banking	THB20,107 million	7,447.80	1,557.93	92.12
Industrial and Commercial Bank of China (Almaty) Joint Stock Company	Commercial banking	KZT8,933 million	1,219.11	227.83	57.12
Industrial and Commercial Bank of China (New Zealand) Limited	Commercial banking	NZD234 million	1,675.24	206.16	11.45
Industrial and Commercial Bank of China (Europe) S.A.	Commercial banking	EUR437 million	10,017.02	680.40	0.82
ICBC (London) PLC	Commercial banking	USD200 million	2,393.33	591.41	42.88
ICBC Standard Bank PLC	Banking	USD1,083 million	37,800.73	2,131.46	224.85
Bank ICBC (Joint stock company)	Commercial banking	RUB10,810 million	6,643.61	1,188.33	369.09
ICBC Turkey Bank Anonim Şirketi	Commercial banking	TRY16,747 million	2,438.44	113.53	(29.49)
ICBC Austria Bank GmbH	Commercial banking	EUR200 million	1,195.83	237.61	0.27
Industrial and Commercial Bank of China (USA) NA	Commercial banking	USD369 million	2,902.68	486.72	15.05

Institution	Principal business	At 31 December 2025			2025
		Issued share capital/ paid-in capital	Total assets (in USD millions)	Net assets (in USD millions)	Net profit (in USD millions)
Industrial and Commercial Bank of China (Canada)	Commercial banking	CAD208 million	2,416.83	361.23	7.40
Industrial and Commercial Bank of China Mexico S.A.	Commercial banking	MXN1,597 million	720.95	78.89	16.05
Industrial and Commercial Bank of China (Brasil) S.A.	Commercial banking	BRL202 million	245.25	29.29	(4.37)
ICBC PERU BANK	Commercial banking	USD120 million	744.10	171.85	8.70
Industrial and Commercial Bank of China (Argentina) S.A.U.	Commercial banking	ARS482,787 million	9,489.20	1,452.74	137.46

## ◆ Major Domestic Subsidiaries

In RMB100 millions

Institution	Principal business	At 31 December 2025			2025
		Issued share capital/ paid-in capital	Total assets	Net assets	Net profit
ICBC UBS Asset Management Co., Ltd. <sup>(1)</sup>	Fund management	2	291.29	198.54	30.07
ICBC Financial Leasing Co., Ltd. <sup>(2)</sup>	Leasing	330	4,083.20	569.47	20.09
ICBC-AXA Assurance Co., Ltd.	Insurance	125.05	3,772.96	213.74	26.59
ICBC Financial Asset Investment Co., Ltd.	Financial asset investment	270	2,025.77	583.39	52.87
ICBC Wealth Management Co., Ltd.	Wealth management	160	236.64	233.82	16.37

Notes: (1) During the reporting period, pursuant to the CSRC's Approval on the Change of Shareholder Holding 5% or More of Shares in ICBC UBS Asset Management Co., Ltd. (CSRC Permission [2025] No. 228), UBS AG became a shareholder holding 5% or more of the shares in ICBC UBS Asset Management Co., Ltd., accounting for 20% of its registered capital. Following this shareholding change, the registered capital of ICBC UBS Asset Management Co., Ltd. remained unchanged. The Bank has continued to be the controlling shareholder of ICBC UBS Asset Management Co., Ltd., with its shareholding ratio unchanged at 80%.

(2) During the reporting period, in accordance with the Approval of Tianjin Financial Regulatory Bureau on the Change of Registered Capital of ICBC Financial Leasing Co., Ltd. (J.J.F. [2025] No. 257), the Bank increased the registered capital of its wholly-owned subsidiary ICBC Leasing Co., Ltd. by RMB15 billion in cash. After the capital increase, the registered capital of ICBC Leasing Co., Ltd. increased from RMB18 billion to RMB33 billion.

## ◆ Major Equity Participating Company

### Standard Bank Group Limited

Standard Bank is the largest commercial bank in Africa. Its scope of business covers commercial banking, investment banking, life insurance business and other areas. The Bank continued to hold 324,963,464 shares or 19.74% of Standard Bank and to be its single largest shareholder. Based on mutual benefit and win-win cooperation, the two sides furthered their cooperation in equity cooperation, customer expansion, project financing, product innovation, risk management, FinTech and staff exchange, etc. As at the end of 2025, Standard Bank recorded total assets of ZAR3,620,854 million and net assets of ZAR312,416 million. It generated a net profit of ZAR56,666 million in the year.

## 4.3 Capital Management

The Bank implements a group-based capital management mechanism, and takes capital as the object and an instrument for its management activities, including planning, measurement, allocation, application and operation. The Bank's capital management aims at maintaining an appropriate capital adequacy ratio and continuously meeting capital supervisory regulations and policies; ceaselessly strengthening and enhancing the capital base and supporting business growth and implementation of strategic planning; establishing a value management system focusing on Economic Value Added (EVA), reinforcing capital constraint and incentive mechanism and improving capital allocation efficiency; innovating and expanding capital replenishment channels, raising capital quality and optimizing capital structure. The Bank's capital management covers various operating entities in the Group, and its contents include capital adequacy ratio management, economic capital management, capital investment and financing management.

In 2025, the Bank continuously improved scientific capital raising, efficient allocation, precise measurement, long-term constraint and normal optimization management mechanism, and continued to elevate the capital use efficiency. It appropriately conducted capital replenishment, optimized the capital structure and reduced the cost of capital, thus laying a solid capital foundation to serve the real economy. During the reporting period, all capital indicators performed well, of which the capital adequacy ratio was kept at a sound and appropriate level.

## 43.1 Capital Adequacy Ratio and Leverage Ratio

Since 1 January 2024, the Bank has calculated its capital adequacy ratios at all levels in accordance with the Rules on Capital Management of Commercial Banks. According to the scope of implementing the advanced capital measurement approaches as approved by the regulatory authorities, the Bank adopted the foundation internal ratings-based (“IRB”) approach for corporate credit risk and the advanced IRB approach for retail credit risk that met the regulatory requirements, and adopted the weighted approach for credit risk uncovered by the IRB approach, the standardized approach for market risk, and the standardized approach for operational risk. As at the end of 2025, the common equity tier 1 capital adequacy ratio, tier 1 capital adequacy ratio, capital adequacy ratio and leverage ratio calculated by the Bank in accordance with the Rules on Capital Management of Commercial Banks stood at 13.57%, 14.94%, 18.76% and 7.51%, respectively, complying with regulatory requirements<sup>1</sup>.

### CAPITAL ADEQUACY RATIO

Item	In RMB millions, except for percentages	
	At 31 December 2025	At 31 December 2024
Net common equity tier 1 capital	3,837,149	3,624,342
Net tier 1 capital	4,222,676	3,949,453
Net capital base	5,302,796	4,986,531
Risk-weighted assets <sup>(1)</sup>	28,269,948	25,710,855
Credit risk-weighted assets	25,927,325	23,386,013
Market risk-weighted assets	472,264	380,609
Risk-weighted assets for switch between trading book and banking book	81,449	103,748
Operational risk-weighted assets	1,788,910	1,840,485
<b>Common equity tier 1 capital adequacy ratio (%)</b>	<b>13.57</b>	<b>14.10</b>
<b>Tier 1 capital adequacy ratio (%)</b>	<b>14.94</b>	<b>15.36</b>
<b>Capital adequacy ratio (%)</b>	<b>18.76</b>	<b>19.39</b>

Note: (1) Refers to risk-weighted assets after capital floor and adjustments.

<sup>1</sup> The Bank’s capital adequacy ratio and leverage ratio both met the additional regulatory requirements for systemically important banks.

## LEVERAGE RATIO

In RMB millions, except for percentages

Item	At 31 December 2025	At 31 December 2024
Net tier 1 capital	4,222,676	3,949,453
Balance of adjusted on- and off-balance sheet assets	56,236,976	50,964,819
<b>Leverage ratio (%)</b>	<b>7.51</b>	<b>7.75</b>

Please refer to the 2025 Pillar 3 Disclosure Report of Capital Management of Industrial and Commercial Bank of China Limited issued by the Bank for further information on capital measurement and leverage ratio.

### 4.3.2 Capital Financing Management

On the basis of capital replenishment by retained profits, the Bank proactively expanded the channels for external capital replenishment and continuously promoted the innovation of capital instruments, to reinforce capital strength, optimize capital structure and control the cost of capital rationally.

In February 2026, the Bank received a reply from the NFRA, consenting the Bank to issue capital instruments and Total Loss-Absorbing Capacity (“TLAC”) non-capital debt instruments of up to RMB800.0 billion or equivalent foreign currency, including undated additional tier 1 capital bonds and tier 2 capital bonds of RMB750.0 billion or equivalent foreign currency and TLAC non-capital debt instruments of RMB50.0 billion or equivalent foreign currency.

#### ◆ Issuance and Redemption of Capital Instruments

In March, April and July 2025, the Bank publicly issued three series of tier 2 capital bonds of the size of RMB50.0 billion each in the National Interbank Bond Market. All the raised funds after deducting the issuance expenses will be used to replenish the Bank’s tier 2 capital in accordance with applicable laws and the approval of relevant regulatory authorities.

In May and November 2025, the Bank publicly issued two series of undated additional tier 1 capital bonds of the size of RMB40.0 billion each in the National Interbank Bond Market. The raised funds are used to replenish the Bank’s additional tier 1 capital in accordance with applicable laws and the approval of relevant regulatory authorities.

In September 2025, the Bank redeemed all of the USD2.9 billion preference shares issued in the offshore market in September 2020.

In September and November 2025, the Bank redeemed the tier 2 capital bonds of RMB60.0 billion issued in the domestic market in September 2020 and the tier 2 capital bonds of RMB30.0 billion issued in the domestic market in November 2020.

In November 2025, the Bank reset the nominal dividend rate of “工行優1” again as it lasted five years from the previous reset date, and the coupon dividend rate after reset became 3.14% from 23 November 2025. Dividends will be paid annually.

#### ◆ Issuance of TLAC Non-capital Debt Instruments

In October 2025, the Bank publicly issued TLAC non-capital bonds of RMB10.0 billion in the National Interbank Bond Market. After deducting the issuance expenses, the funds raised from the bond issuance will be used to enhance the Bank’s TLAC in accordance with applicable laws and the approval of relevant regulatory authorities.

#### USE OF PROCEEDS FROM FUNDRAISING ACTIVITIES

In RMB100 millions

Bond name	Date of funds received	Size of proceeds from fundraising activities	Total proceeds from fundraising activities invested accumulatively as at the end of the reporting period	Use of proceeds from fundraising activities
25 ICBC Perpetual Bond 01BC	13 May 2025	400	400	All the raised funds are used to replenish the Bank’s additional tier 1 capital
25 ICBC Perpetual Bond 02BC	10 November 2025	400	400	All the raised funds are used to replenish the Bank’s additional tier 1 capital
25 ICBC T2CN01BC	3 March 2025	500	500	All the raised funds, after deducting the issuance expenses, are used to replenish the Bank’s tier 2 capital
25 ICBC T2CN02BC	30 April 2025	500	500	All the raised funds, after deducting the issuance expenses, are used to replenish the Bank’s tier 2 capital
25 ICBC T2CN 003(BC)	14 July 2025	500	500	All the raised funds, after deducting the issuance expenses, are used to replenish the Bank’s tier 2 capital
25 ICBC TLACENCB01(BC)	24 October 2025	100	100	All the raised funds, after deducting the issuance expenses, are used to replenish the Bank’s TLAC

For details on the issuance and redemption of capital instruments and TLAC non-capital debt instruments of the Bank, please refer to the announcements published by the Bank on the website of the SSE, the “HKEXnews” website of the HKEX and the website of the Bank.

## 4.4 Outlook

At present, changes unseen in a century are accelerating across the world, and the complexity, severity and uncertainty of the international landscape are on the rise. China is at a stage where development is facing both strategic opportunities and risks and challenges, with increasing uncertain and unpredictable factors. However, the conditions for and underlying trend of long-term growth remain unchanged. New quality productive forces are developing at a faster pace, reform and opening up are being continuously deepened, and risks in key areas are being prudently mitigated, providing a favorable environment for the banking sector to serve the Chinese modernization and advance its own steady development.

2026 marks the first year of the 15<sup>th</sup> Five-Year Plan period. The Bank will uphold Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, fully, accurately and faithfully implement the new development philosophy, stay committed to the functional role and mission of a large state-owned financial institution, and adhere to the general principle of pursuing progress while ensuring stability, improving quality and efficiency, balancing domestic and international imperatives and coordinating development and security. The Bank will remain committed to the main line of financial work of “preventing risks, strengthening regulation, and promoting high-quality development”, uphold the leadership of the Party building and the “five transformations”, maintain strategic resolve, strengthen confidence in victory, accelerate the transition toward a modern bank, and, with stronger responsibility and greater accomplishment, serve the cause of building a great country and advancing national rejuvenation.

The Bank will continue to give full play to its leading role as a “strong, excellent and large” bank, focus on its principal businesses and strengthen specialization, and continuously enhance its value creation capability, market competitiveness, international influence, and risk prevention and control. It will consolidate and expand its strengths, break bottlenecks and constraints, shore up weak links and shortcomings, and strive to facilitate the smooth circulation of factors such as finance, industry and technology on a broader scale. Centering on serving the Chinese modernization, the Bank will better implement major national strategies and meet the financial needs of key areas, strengthen its major responsibilities and core businesses in manufacturing, commerce and trade, and technology, increase support for investments in loans and bonds, proactively align with the “Major Strategies and Key Fields”, the “Renewal and Trade-in” programs and the development of major projects, and make greater contributions to the “Five Priorities”, so as to continuously enhance the suitability, inclusiveness, and accessibility of the financial supply.

The Bank will better coordinate development and security, regard risk prevention as the top priority of financial work, and develop strong compliance into a core competitiveness. It will consolidate and enhance the Enterprise Risk Management (ERM) system, deepen intelligent risk control as well as forward-looking early warning, prevention & control and response, safeguard the bottom lines for capital, liquidity, asset quality and compliance, and build a cleaner, healthier and more resilient balance sheet and a balanced, coordinated and sustainable income statement. In line with the trend of technological transformation, the Bank will seize the opportunities presented by “AI+”, continue to strengthen digital and intelligent momentum, and deepen the digital and intelligent transformation of business management and risk governance.

The Bank will uphold the high-quality Party building to guide its high-quality development and high-level security, promote the Party's leadership across all areas and at all levels, improve the system for exercising full and strict Party self-governance in governing the Bank, unwaveringly improve conduct, enforce discipline and combat corruption, foster a financial culture with Chinese characteristics, and create a sound environment for work. It will guide all institutions in ensuring proper alignment with the 15<sup>th</sup> Five-Year Plan and its implementation in light of local conditions, so as to ensure that strategic arrangements are translated into operational results that are executable, measurable and verifiable, and continuously open up new prospects for high-quality development and high-level security.

## 4.5 Hot Topics in the Capital Market

### Hot Topic 1: Bringing the Group's 14<sup>th</sup> Five-Year Plan to a Successful Close

The year 2025 marked the conclusion of China's 14<sup>th</sup> Five-Year Plan. During the year, ICBC upheld Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, closely aligned its growth with the country's path toward Chinese modernization, and maintained the guiding role of Party building. With advancements in "leveraging our strengths, tackling areas of weaknesses, solidifying the operational foundation and building stronger development foundation", the Bank successfully achieved the targets under the Group's 14<sup>th</sup> Five-Year Plan, demonstrating coordinated progress in high-quality development and robust security.

**The Bank leveraged its strengths to reinforce its competitive positioning and enhance service capabilities.** The traditional advantages in corporate banking, institutional banking, government-related banking and settlement finance were consolidated and expanded. Focusing on China's major strategies, projects and key industrial chains, the Bank deepened engagement with strategic customer groups and priority projects. This constituted strong support for high-quality development. As at the end of 2025, institutional deposits and corporate loans of the Bank increased by RMB2.4 trillion and RMB7.74 trillion, respectively, compared with the beginning of 2021; corporate settlement accounts reached 16.80 million; and the Group's bond investments exceeded RMB16 trillion, further strengthening the Bank's industry-leading position.

**The Bank tackled key areas of weaknesses to foster new growth drivers.** Retail banking delivered new momentum, with AUM balance recording a compound annual growth rate of over 9%, ranking first among comparable peers. By further improving "local-currency and foreign-currency, domestic and overseas integrated" operation pattern, the Bank saw the total assets of its overseas institutions grow by more than 16% during the Plan period. The Bank also extended its urban financial expertise to county-level markets, innovatively developed a GBC collaborative service system, and established new digital inclusive finance models. These efforts expanded the customer base and made the Bank's financial services more precise, accessible and targeted. As at the end of 2025, the balance of agriculture-related loans surpassed RMB5 trillion while inclusive loans quadrupled over five years. A development pattern featuring industry-agriculture mutual reinforcement and coordinated urban-rural growth has been taking shape at a faster pace.

**The Bank solidified the operational foundation to spur the internal driving forces.** The Bank implemented a series of reforms, including segmented operations in personal banking services and the reform of the Profitability Units. Institutional functions and business line responsibilities were optimized across key areas such as technology finance, inclusive finance, green finance, pension finance and digital finance. This improved the Head Office’s decision-making capabilities, business line management, and operational efficiency at the grassroots level. The D-ICBC initiative and the effort of building a tech-empowered bank saw notable progress. The Bank’s independently developed LLM with over 100 billion parameters, the first of its kind in the financial industry, has been leading innovation in applications. The Bank became the first in the financial industry to receive top ratings in both Financial Digital Transformation Maturity Model (FDMM) Assessment and Data Management Capability Maturity Assessment Model (DCMM). It also received the Special Award of FinTech Development Awards for its ECOS Project, retained *The Chinese Banker*’s “Institution of Excellence in Financial Innovation of the Year” award, and ranked first among its peers in both patent publications and cumulative patent grants.

**The Bank built stronger development foundation to unlock operational vitality.** In terms of customer base, personal customers of the Bank increased by over 100 million from the beginning of 2021 to more than 780 million, while corporate customers grew by 71% to over 14.00 million. In terms of service capacity, average deposits per outlet rose by more than 50% from the beginning of 2021. Personal mobile banking took the lead in reaching customers of over 600 million and recorded more than 290 million MAUs. In terms of talent base, the workforce structure continued to improve. The talent pool for key areas, including the “Five Priorities”, consisted of more than 2,000 professionals. The Bank also had more than 10 thousand core talents and over 40 thousand technology and data specialists. Additionally, an international talent reserve of more than 3,200 professionals was established.

Through efforts during the 14<sup>th</sup> Five-Year Plan period, the Bank has further polished its “Strong, Excellent, Large and Stable” features. **Its core businesses became stronger**, with loans invested in the manufacturing industry exceeding RMB5 trillion, trade finance surpassing RMB1 trillion, and sci-tech loans reaching RMB6 trillion. **The financial quality improved.** In 2025, the Bank’s operating income and net profit both achieved positive growth, net profit reached a record high, with the cost-to-income ratio among the best of its peers. **The Bank made greater contributions**, underpinned by its long-standing global leadership in key indicators such as total assets, deposits, loans and capital. The incremental funding of approximately RMB4 trillion was provided to the real economy annually in average. Lending to the “Major Strategies, Key Field and Weak Links” grew by over 40% cumulatively. **The operation remained more stable.** Capital adequacy ratio and allowance to NPLs rose by 1.9 and 32.9 percentage points, respectively, from the beginning of 2021, while NPL ratio declined by 27BP. Various risks were generally under control.

## **Hot Topic 2: Making Solid Progress in “Five Transformations”**

In 2025, amid evolving external conditions and a shifting competition landscape, the Bank remained committed to enhancing adaptability through reform and transformation. Focusing on the principle of “guarding against risks, strengthening supervision, and promoting high-quality development”, ICBC further deepened the “five transformations”. This led to solid progress toward higher-quality and more advanced development despite a complex business environment.

### **Intensifying Intelligent Risk Control Effectively to Reinforce Security**

The Bank further improved the enterprise risk management system by strengthening coordination across functions and ensuring alignment throughout the Bank. A three-in-one structure was enhanced to form a cohesive approach to risk control, with the Risk Management and Internal Control Committee acting as the lead coordinator, the risk officers enforcing accountability, and risk control departments focusing on capacity building. Responsibilities at the first line of defense were reinforced, supported by the implementation of new policies on internal control, approval, and audit. The three lines of defense were further integrated. The Bank accelerated the deployment of the enterprise-level intelligent risk control platform, and “4E centers” fully covered the Head Office and branches, driving down the Bank’s NPL ratio by 3BP from the end of the previous year.

### **Improving Modern Layout Continuously to Make Core Capabilities Stronger**

The Bank actively supported China’s major strategies, key fields and weak links. It reached out to serve “Major Strategies and Key Fields” and “Renewal and Trade-in”, including by carrying out special initiatives to boost consumption. During the year, total incremental value of loans and bond investments reached RMB4.8 trillion, maintaining a leading market position. Performance across “Five Priorities” was strong, with relevant financing balances remaining market-leading and growing faster than the Bank’s overall average. The Bank’s contribution to the banking industry’s growth increased steadily. The Bank also adhered to modernizing itself through coordinated development across four dimensions. First, the core businesses gained further prominence, with the balance of loans invested in the manufacturing industry and sci-tech loans ranking first among peers, and their shares in total lending rising by 1.7 and 2.0 percentage points respectively from the end of last year. Second, the existing strengths continued to expand. The Bank led the industry in terms of green loan balance and the underwriting amount of domestic ESG bonds, while moving faster to extend its urban financial expertise to county-level markets. Third, the Bank’s foundational capabilities improved, supported by the robust development in major regions at home and abroad. Fourth, new growth drivers developed at a faster pace. The Bank became the first among its peers to exceed RMB32 trillion in asset custody scale, while its income from investment banking advisory and commission-based wealth distribution topped its comparable peers. Loans for technological transformation and equipment renewal increased by nearly three folds. These effectively supported the development of new quality productive forces.

## **Accelerating the Cultivation of Digital and Intelligent Driver to Foster New Quality Productive Forces**

The Bank innovatively launched the “AI+” Action Plan, deploying over 500 AI applications across more than 30 business areas, leading the industry in both scale and depth. AI digital employees handled the workloads of 55 thousand persons a year. Keeping pace with sci-tech development, the Bank developed an ICBC Zhiyong-based coordinated intelligent agent system, featuring “one super agent and multiple specialized agents”. An enterprise-level data space was also built, which not only enables the standardization of data definitions and metrics across the Bank but also improves data timeliness to better support business efficiency. Platforms became more intelligent. Customer service platforms were enhanced under a “one customer, one advisor” model, with both the mobile banking user base and MAUs ranking first among comparable peers. Open Banking partners reached 79 thousand, while the ICBC e-Life recorded 22.17 million MAUs. Internally, the Bank improved employee platforms under a “one position, one assistant” model, and “Counter Express” achieved full branch coverage. An intelligent agent for corporate marketing was put into place, while “Gong Xiao Cai”, an AI agent for retail marketing, was launched, fully empowering client managers in marketing and employees in daily operations.

## **Expanding Integrated Services Continuously to Grow with Customers**

The Bank adopted a customer-centric approach to develop comprehensive financial solutions, delivering integrated, full-lifecycle services, combining financing, advisory, technology-enabled services, and connectivity. Meanwhile, the Bank stepped up its efforts to advance the globally integrated operating model. Through ICBC’s global network, it served customers worldwide with both domestic and international markets and resources. In 2025, overseas institutions contributed a steadily growing share of operating income, while domestic integrated subsidiaries achieved the year-on-year growth rate of 22.1% in operating income. Customer-product alignment was strengthened through a comprehensive customer mapping system and a full product catalog. The number of medium-sized customers with outstanding loans reached 38 thousand. Personal customers with average daily assets of RMB10 thousand or above numbered 130 million. Assets growth from long-tail personal customers and lower-tail corporate customers accounted for 61.8% and 26.5%, respectively, of total assets growth in the personal and corporate segments during the same period.

## Developing Ecosystem Steadily to Reinforce Balanced and Robust Growth

The Bank continued to deepen the GBC+ projects, further synergizing the customer, capital, service, and value chains. Corporate customers increased to 14.75 million, while personal customers reached 782 million. Funds related to the payroll agency service exceeded RMB6 trillion, maintaining leading positions among comparable peers in both scale and growth. With a focus on long-term value, the Bank strived to build a clean and healthy balance sheet as well as a balanced, coordinated, and sustainable income statement. Value creation, market position, risk prevention and control, and capital constraints were dynamically balanced. In 2025, the Bank continued to lead its comparable peers in net profit, pre-provision profit, operating income, and net fee and commission income. The cost of liabilities remained competitive among comparable peers, asset quality improved steadily, and the Bank's capabilities in value creation, market competitiveness, market influence, and risk management continued to enhance.

## Hot Topic 3: Enhancing Development of Deposits with Improved Quality and Efficiency, Leading Peers with Steady Growth and Good Pricing

In 2025, the Bank coordinated the promotion of the GBC+ projects. Total deposits maintained steady growth, witnessing a continuous optimization in structure, an effective reduction in costs and a significantly higher daily average balance. They exhibited more pronounced characteristics of high-quality development, providing more stable and sustainable funding support for serving the real economy.

### I. Maintaining a Leading Position among Peers in Total Volume through Segment and Business Line Synergy

Facing a complex and ever-changing competitive environment, the Bank proactively analyzed the rule of social fund circulation, further enhancing its competitiveness in deposit market. In 2025, the Group's **due to customers** increased by RMB2.5 trillion from the beginning of the year to RMB37.3 trillion, representing additional year-on-year growth of RMB1.2 trillion or an increase of 7.1%. Focusing on customers' diversified and scenario-based savings needs, the Bank innovated products and services such as Zhi Cun Bao and certificates of deposit featuring the solar terms. The balance of RMB **personal deposits** of domestic branches exceeded RMB19 trillion, with a growth of over RMB2.0 trillion, reaching a record high. The Bank also actively expanded service scenarios such as finance, social security, education, and medical care, as well as key customer groups, including the SRDI enterprises, "Little Giants" firms and corporate merchants. The balance of RMB **corporate deposits** of domestic branches increased by RMB840.0 billion from the beginning of the year to RMB15.0 trillion, maintaining a leading position among peers.

## **II. Achieving Remarkable Results in Cost Control with Prominent Advantages in Volume-Pricing Coordination**

Adhering to the philosophy of coordinated development of deposit volume and pricing and actively responding to the self-disciplinary initiative on the pricing of market-oriented interest rates, the Bank achieved steady growth in deposit scale while ensuring a consistent decline in interest-bearing costs. In 2025, the Group's deposit cost decreased by 36BP from the previous year, representing additional year-on-year decrease of 19BP. Both the cost level and the decrease were among the best in the industry. By continuously optimizing the product structure and launch pace, the interest rate of newly attracted deposits remained lower than the industry average, showcasing the Bank's professional capability in pricing management. Relying on its profound foundation and robust service capabilities in custody, settlement, and depositary, the Bank strengthened the accumulation of low-cost demand deposit funds, resulting in a significantly narrowed decline in the proportion of demand deposits compared to the previous year and providing critical support for the management of overall liability costs.

## **III. Ensuring Balanced and Steady Growth of Daily Average Deposits to Optimize Fund Matching Efficiency**

The Bank placed a high priority on the accumulation of daily average deposits, continuously enhancing its management by securing source funds at an early stage and smoothing fund circulation chains. In 2025, the daily average growth of domestic branches' customer deposits denominated in RMB reached RMB1.7 trillion, characterized by a steady upward trend and a significantly enhanced growth balance. By proactively strengthening its forward-looking asset-liability management, the Bank achieved a better match between its daily average increments of loans and deposits than its comparable peers, underscoring its solid support of deposits for credit supply.

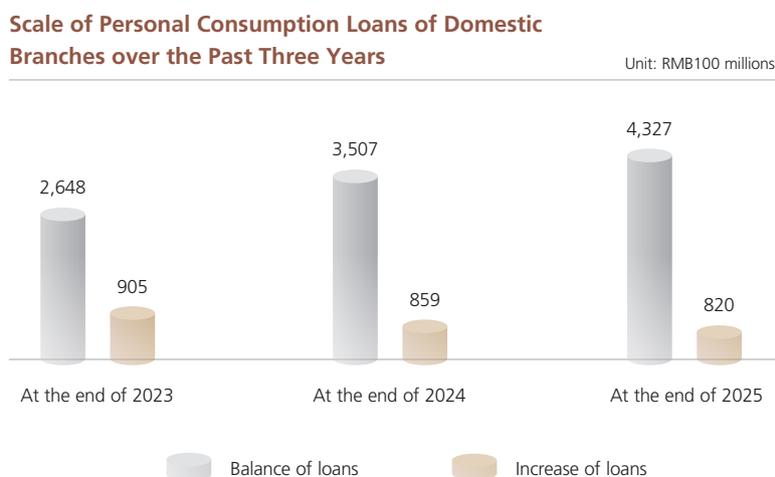
Looking ahead, the Bank will remain committed to the high-quality development of its deposit business, emphasizing both volume and quality as well as coordinated volume and pricing development. Through stronger liability support and better financial services, the Bank aims to provide more stable and sustainable funding for the high-quality development of the economy and society, while delivering long-term and stable value returns for investors.

## Hot Topic 4: Continuously Expanding Consumer Financing Supply to Boost Domestic Demand and Consumer Spending

In 2025, the Bank upheld its responsibilities as a leading bank, and aligned itself with the strategic direction of Chinese modernization. To boost domestic demand and consumer spending, the Bank strengthened resource coordination and technological empowerment, optimized its consumer financing supply, broadened service coverage and enhanced service precision, contributing to the high-quality expansion of the consumer market.

### I. Consistent Scale Growth Underpinned by Robust Financial Support

Adhering to a proactive and targeted approach, the Bank made stronger lending to consumption sector to fully meet the reasonable financing needs of residents. At the end of 2025, the balance of personal consumption loans at domestic branches exceeded RMB430.0 billion, representing an increase of over RMB80.0 billion from the beginning of the year and an annual growth of 23% that significantly outperformed the Bank's overall average loan growth. With a three-year compound growth rate maintained above 35%, the Bank demonstrated the enduring effectiveness of its financial support.



## **II. Diversified Product Portfolio to Strengthen “Customer – Scenario – Product” Alignment**

By integrating “investment in people” with “investment in assets”, the Bank established a comprehensive consumer finance product portfolio covering all customer groups and multiple scenarios, with a view to better meeting personalized and diversified financial needs. Focusing on key groups such as new urban residents, university graduates, elderly customers and flight trainees, the Bank introduced tailored products designed for diverse fields, including education and elderly care. These initiatives effectively unlocked the consumption potential of these priority groups. As at the end of 2025, the total balance of loans to tailored products, such as “Annuity Quick Loan” for seniors and “Academic Excellence Loan” for graduates, stood at nearly RMB3.0 billion, benefiting over 22 thousand customers.

## **III. Efficient Policy Execution with Targeted Public Benefit Delivery**

Guided by its commitment to public welfare, the Bank actively implemented people-oriented policies, such as fiscal interest subsidies on consumption loans. The Bank efficiently upgraded its systems and established dedicated interest subsidy program, taking the lead in creating a dual-track identification mechanism driven primarily by “automated system recognition and supplemented by manual reviews”. Since the implementation of these policies, the Bank has signed subsidy service agreements with about 1.90 million customers, and processed subsidy for over 30.00 million consumption transactions which were eligible for subsidy, ensuring policy benefits reach households with precision. Furthermore, the Bank proactively aligned with national strategies to promote the consumer goods trade-in programs and bolster spending on big-ticket items. It partnered with leading automotive manufacturers to advance scrapping-and-replacement and trade-in initiatives. By establishing a “direct to manufacturer” connectivity and scenario-based service model, the Bank significantly enhanced the efficiency of its automotive finance. Total personal automotive financing exceeded RMB160.0 billion for the year, delivering robust support for the national strategy to bolster domestic demand.

## **IV. Channel Integration to Enhance Service Accessibility**

The Bank strengthened its digital empowerment to bridge the gap between online and offline services, establishing an omni-channel framework. By deepening integration with government data sources, the Bank has fully digitalized the entire lending lifecycle of “application – credit granting – drawdown”, making near-instant response the new standard and creating a seamless apply-and-receive financing experience. Offline, the introduction of lightweight channels, such as marketing tablets, and the refinement of the “online application and offline interconnection” model have significantly improved the accessibility and convenience of consumer financing services.

## **V. Attaching Equal Importance to Risk Control and Compliance to Improve Development Quality and Efficiency**

Following the principle of “guarding against risks, strengthening supervision, and promoting high-quality development”, the Bank implemented the “Three Gates and Seven-color Pools” framework for full-process risk management. It enhanced monitoring and early-warning capabilities for personal loans to ensure early identification and resolution. By refining customer access standards and intensifying the identification of over-indebtedness, the Bank strictly controlled the loan quality at the “entrance” end. It advanced digital risk management by leveraging machine learning algorithm to iterate anti-fraud models and establishing a credit risk monitoring system. A dual-track monitoring and screening mechanism driven by “online model + offline staff” was implemented to form a closed-loop “monitoring – feedback – optimization” management process. Furthermore, by strengthening NPL management and advancing collection, securitization, and write-off efforts, the Bank improved disposal efficiency at the “exit” end, fortifying the safety barrier for business growth.

## **Hot Topic 5: Advancing Digital and Intelligent Driver and Developing “ICBC Zhiyong” Large Model Technology System**

In 2025, ICBC thoroughly implemented the national “AI+” Action. At the Group level, it spearheaded the “AI+” Action Plan, creating “ICBC Zhiyong”—a large model technology system that is self-developed and industry-leading, helping the business application achieve phased results.

### **I. Technical Foundation: Forging a Self-developed AI Financial Infrastructure**

The Bank built an intelligent engine that integrates a large-model elastic computing pool with multi-model clusters mainly based on domestic computing power. This architecture supports minute-level switching between training mode and inference mode, enabling a high-efficiency “daytime inference, night-time training” operational cycle. The Bank integrated over ten mainstream models, and conducted the second training within the Bank, building an enterprise-level foundation model matrix with a profound understanding of both finance and ICBC-specific operations.

### **II. Knowledge Engineering: Building an Enterprise-level Cognitive Hub to Drive Digital and Intelligent Transformation**

The Bank has built a “1+4+X” AI knowledge engineering framework, comprising a unified enterprise knowledge base, four primary training datasets, and multiple specialized Retrieval-Augmented Generation (RAG) repositories. It pioneered a three-tier modelling methodology encompassing Operation Data Store (ODS), Data Warehouse (DW) and Data Mart (DM), supported by an operating mechanism that fosters bank-wide co-development. By integrating the full process covering data collection, processing, governance, training, and application, the Bank has achieved large-scale, standardized and intelligent management of knowledge assets, providing precise inference support for complex scenarios such as credit risk assessment and investment decision-making.

### **III. Agent Collaboration: Exploring the AI-native Financial Productivity Paradigm**

The Bank has developed a multi-tier agent collaboration framework and an agent creation platform of low-code development capability. This system supports multiple task orchestration modes, providing technology and business workforce with visual agent authoring tools, and achieving rapid agent building and flexible composition. A comprehensive AI security framework has been established to provide full-chain protection across infrastructure, data, models, and applications.

### **IV. Business Empowerment: Building Professional and Inclusive Financial Applications**

Over 500 AI applications have been deployed across more than 30 business areas of the Bank, and AI digital employees handled the workloads of 55 thousand persons a year. It empowered four core scenarios:

**Investment and trading:** The intelligent investment research assistant was developed to deliver market insights, strategy analysis, investment management support and other functions, helping traders quickly perceive market changes and develop better investment plans and trading strategies;

**Marketing and customer acquisition:** The marketing assistant for personal customer managers was established to offer wealth management, investment companion and other services, creating a new human-machine collaborative marketing model that has boosted customer service quality and efficiency;

**Risk prevention and control:** The intelligent credit assistant was launched to provide the whole-process risk control support encompassing customer analysis, policy interpretation, risk early warnings, and financing recommendations, etc.;

**Operational efficiency:** The centralized operations assistant and remote banking assistant were improved to provide intelligent approval, quality inspection, Q&As and other services, improving business processing efficiency and reducing operational risks.

### **V. Ecosystem Evolution: Building an Evolving AI-Native System**

Driven by the “AI+” Action Plan and supported by a multi-tier agent collaboration framework and an integrated R&D and O&M system, the Bank promoted the closed-loop iteration across its technical foundation, knowledge engineering, and business scenarios, ensuring that the ecosystem remains independent, controllable and ever-evolving.

## 5. Details of Changes in Share Capital and Shareholding of Substantial Shareholders

### Changes in Ordinary Shares

#### DETAILS OF CHANGES IN SHARE CAPITAL

Unit: Share

	At 31 December 2024		Increase/ decrease during the reporting period	At 31 December 2025	
	Number of shares	Percentage (%)		Number of shares	Percentage (%)
<b>I. Shares subject to restrictions on sales</b>	–	–	–	–	–
<b>II. Shares not subject to restrictions on sales</b>	<b>356,406,257,089</b>	<b>100.00</b>	–	<b>356,406,257,089</b>	<b>100.00</b>
1. RMB-denominated ordinary shares	269,612,212,539	75.65	–	269,612,212,539	75.65
2. Foreign shares listed overseas	86,794,044,550	24.35	–	86,794,044,550	24.35
<b>III. Total number of shares</b>	<b>356,406,257,089</b>	<b>100.00</b>	–	<b>356,406,257,089</b>	<b>100.00</b>

Notes: (1) The above data are based on the Equity Structure Chart issued by China Securities Depository and Clearing Corporation Limited.

(2) “Foreign shares listed overseas”, namely H shares, are within the same meaning as defined in the “No. 5 Standards on the Content and Format of Information Disclosure of Companies with Public Offerings — Content and Format of the Report of Change in Corporate Shareholding” (Revision 2022) of the CSRC.

(3) Due to rounding, percentages presented herein are for reference only.

### Details of Securities Issuance and Listing

During the reporting period, the Bank did not issue any shares, did not have any employee shares, nor did it issue any convertible bonds.

The Bank did not issue corporate bonds to be disclosed in accordance with Chapter II, Section 7 of the “No. 2 Standards on the Content and Format of Information Disclosure of Companies with Public Offerings — Content and Format of the Annual Report” of the CSRC, nor did it have the above-mentioned corporate bonds existed on the approval date of this Results Announcement.

## Number of Shareholders and Particulars of Shareholding

As at the end of the reporting period, the Bank had a total number of 687,375 ordinary shareholders and no holders of preference shares with voting rights restored or holders of shares with special voting rights, including 100,736 holders of H shares and 586,639 holders of A shares. As at the end of the month immediately before the annual results announcement date (28 February 2026), the Bank had a total number of 823,962 ordinary shareholders and no holders of preference shares with voting rights restored or holders of shares with special voting rights.

### PARTICULARS OF SHAREHOLDING OF THE TOP 10 ORDINARY SHAREHOLDERS OF THE BANK

							Unit: Share
Name of shareholder	Nature of shareholder	Class of shares	Increase/decrease of shares during the reporting period	Number of shares held at the end of reporting period	Shareholding percentage (%)	Number of pledged/locked-up/ marked shares	
Central Huijin Investment Ltd.	State-owned	A Share	–	124,004,660,940	34.79	None	
MOF	State-owned	A Share	–	110,984,806,678	31.14	None	
HKSCC Nominees Limited <sup>(5)</sup>	Foreign legal person	H Share	20,383,643	86,187,686,896	24.18	Unknown	
National Council for Social Security Fund <sup>(6)</sup>	State-owned	A Share	–	12,331,645,186	3.46	None	
China Securities Finance Co., Ltd.	State-owned legal person	A Share	–	2,416,131,540	0.68	None	
Hong Kong Securities Clearing Company Limited <sup>(7)</sup>	Foreign legal person	A Share	-785,665,459	1,744,554,429	0.49	None	
China Life Insurance Company Limited — Traditional — Ordinary insurance products — 005L — CT001 Hu	Other entities	A Share	1,051,968,870	1,159,646,865	0.33	None	
Central Huijin Asset Management Ltd.	State-owned legal person	A Share	–	1,013,921,700	0.28	None	
ICBC — SSE 50 Exchange Traded Securities Investment Funds <sup>(8)</sup>	Other entities	A Share	-60,078,113	598,456,760	0.17	None	
Industrial and Commercial Bank of China — Huatai-PB CSI 300 ETF <sup>(9)</sup>	Other entities	A Share	-71,603,014	533,451,547	0.15	None	

- Notes: (1) The above data are based on the Bank's register of shareholders as at 31 December 2025.
- (2) The Bank had no shares subject to restrictions on sales.
- (3) HKSCC Nominees Limited is a wholly-owned subsidiary of Hong Kong Securities Clearing Company Limited. Central Huijin Investment Ltd. held 100% equity of Central Huijin Asset Management Ltd., and held 66.70% equity of China Securities Finance Co., Ltd. Save as disclosed above, as at 31 December 2025, the Bank is not aware of any connected relations or acting-in-concert relations among the aforementioned shareholders.
- (4) Except to the extent unknown to HKSCC Nominees Limited, the top 10 shareholders of the Bank did not participate in any margin trading, short selling or refinancing business.
- (5) The number of shares held by HKSCC Nominees Limited at the end of the period refers to the total number of H shares held by it as a nominee on behalf of all institutional and individual investors registered with accounts opened with HKSCC Nominees Limited as at 31 December 2025, which included H shares of the Bank held by the National Council for Social Security Fund and Ping An Asset Management Co., Ltd.
- (6) At the end of the reporting period, according to the information provided by the National Council for Social Security Fund to the Bank, the National Council for Social Security Fund held 6,718,446,133 H shares of the Bank and 19,050,091,319 A and H shares in aggregate, accounting for 5.35% of the Bank's total ordinary shares.
- (7) The number of shares held by Hong Kong Securities Clearing Company Limited at the end of the period refers to the total A shares (Northbound shares of the Shanghai-Hong Kong Stock Connect) held by it as a nominal holder designated by and on behalf of Hong Kong and foreign investors as at 31 December 2025.
- (8) "ICBC — SSE 50 Exchange Traded Securities Investment Funds" are securities investment funds raised as approved by the CSRC in the Zheng Jian Ji Jin Zi [2004] No. 196 Document dated 22 November 2004, with China Asset Management Co., Ltd. as the fund manager and ICBC as the fund custodian.
- (9) The "Industrial and Commercial Bank of China Limited — Huatai-PB CSI 300 ETF" is a securities investment fund approved by the CSRC in the CSRC Document [2012] No. 392 dated 23 March 2012. Huatai-PineBridge Fund Management Co., Ltd. acts as the fund manager and ICBC acts as the fund custodian.

## Changes of Controlling Shareholders and the De Facto Controller

During the reporting period, the Bank's controlling shareholders and de facto controller remained unchanged.

### Interests and Short Positions Held by Substantial Shareholders and Other Persons

#### Substantial Shareholders and Persons Having Notifiable Interests or Short Positions Pursuant to Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance of Hong Kong

As at 31 December 2025, the Bank received notices from the following persons about their interests or short positions held in the Bank's ordinary shares and underlying shares, which were recorded in the register pursuant to Section 336 of the Securities and Futures Ordinance of Hong Kong as follows:

#### HOLDERS OF A SHARES

Name of substantial shareholder	Capacity	Number of A shares held (share)	Nature of interests	Percentage of A shares <sup>(1)</sup> (%)	Percentage of total ordinary shares <sup>(1)</sup> (%)
Central Huijin Investment Ltd.	Beneficial owner	124,004,660,940	Long position	45.99	34.79
	Interest of controlled corporations	3,430,053,240	Long position	1.27	0.96
	Total	127,434,714,180		47.27	35.76
MOF	Beneficial owner	110,984,806,678	Long position	41.16	31.14

Note: (1) Due to rounding, percentages presented herein are for reference only.

#### HOLDERS OF H SHARES

Name of substantial shareholder	Capacity	Number of H shares held (share)	Nature of interests	Percentage of H shares <sup>(3)</sup> (%)	Percentage of total ordinary shares <sup>(3)</sup> (%)
Ping An Asset Management Co., Ltd. <sup>(1)</sup>	Investment manager	16,510,803,000	Long position	19.02	4.63
National Council for Social Security Fund <sup>(2)</sup>	Beneficial owner	6,938,013,180	Long position	7.99	1.95
BlackRock, Inc.	Interest of controlled corporations	4,424,690,696	Long position	5.10	1.24
		15,657,000	Short position	0.02	0.00

Notes: (1) As confirmed by Ping An Asset Management Co., Ltd., such shares were held by Ping An Asset Management Co., Ltd. on behalf of certain customers (including but not limited to Ping An Life Insurance Company of China, Ltd.) in its capacity as investment manager and the interests in such shares were disclosed based on the latest disclosure of interests form filed by Ping An Asset Management Co., Ltd. for the period ended 31 December 2025 (the date of relevant event being 12 February 2025). Both Ping An Life Insurance Company of China, Ltd. and Ping An Asset Management Co., Ltd. are subsidiaries of Ping An Insurance (Group) Company of China, Ltd. As Ping An Asset Management Co., Ltd. is in a position to fully exercise the voting rights in respect of such shares on behalf of customers and independently exercise the rights of investment and business management in its capacity as investment manager, and is completely independent from Ping An Insurance (Group) Company of China, Ltd., Ping An Insurance (Group) Company of China, Ltd. is exempted from aggregating the interests in such shares as a holding company under the aggregation exemption and disclosing the holding of the same in accordance with the Securities and Futures Ordinance of Hong Kong.

- (2) According to the information provided by the National Council for Social Security Fund to the Bank, the National Council for Social Security Fund held 6,718,446,133 H shares of the Bank as at the end of the reporting period, accounting for 7.74% of the Bank's H shares and 1.89% of the Bank's total ordinary shares.
- (3) Due to rounding, percentages presented herein are for reference only.

## **Preference Shares**

### **◆ Issuance and Listing of Preference Shares in the Past Three Years**

The Bank did not issue any preference shares in the past three years.

#### **Reset dividend rate of “工行優 1”**

Pursuant to relevant provisions of the Prospectus on the Non-Public Offering of Preference Shares of Industrial and Commercial Bank of China Limited (“Prospectus”), domestic preference shares non-publicly offered by the Bank in November 2015 (abbreviation “工行優 1” and code: “360011”) were priced at a coupon dividend rate adjusted in stages, with the coupon dividend rate being the benchmark interest rate plus a fixed spread. The coupon dividend rate for the first five years remained unchanged from the date of issuance, and subsequently the benchmark interest rate will be reset every five years, and the nominal dividend rate during each reset period will remain unchanged. In November 2025, the Bank reset the nominal dividend rate of “工行優 1” again according to relevant clauses of the Prospectus as it lasted five years from the previous reset date, and the coupon dividend rate after reset became 3.14% from 23 November 2025.

For details on the reset dividend rate of domestic preference shares of the Bank, please refer to the announcements published by the Bank on the website of the SSE, the “HKEXnews” website of the HKEX and the website of the Bank.

### **◆ Number of Preference Shareholders and Particulars of Shareholding**

As at the end of the reporting period, the Bank had 28 domestic preference shareholders of “工行優 1” and 37 domestic preference shareholders of “工行優 2”. As at the end of the month immediately before the annual results announcement date (28 February 2026), the Bank had 28 domestic preference shareholders of “工行優 1” and 37 domestic preference shareholders of “工行優 2”.

PARTICULARS OF SHAREHOLDING OF THE TOP 10 DOMESTIC PREFERENCE SHAREHOLDERS OF “工行優 1”

Unit: Share

Name of shareholder	Nature of shareholder	Class of shares	Increase/decrease during the reporting period	Shares held at the end of the period	Shareholding percentage (%)	Number of shares subject to restrictions on sales	Number of pledged/locked-up/ marked shares
China Mobile Communications Group Co., Ltd.	State-owned legal person	Domestic preference shares	–	200,000,000	44.44	–	None
China National Tobacco Corporation	Other entities	Domestic preference shares	–	50,000,000	11.11	–	None
China Life Insurance Company Limited	State-owned legal person	Domestic preference shares	–	35,000,000	7.78	–	None
Ping An Life Insurance Company of China, Ltd.	Domestic non-state-owned legal person	Domestic preference shares	–	30,000,000	6.67	–	None
China Fund Management Co., Ltd.	State-owned legal person	Domestic preference shares	14,955,000	17,855,000	3.97	–	None
Everbright Securities Asset Management Co., Ltd.	State-owned legal person	Domestic preference shares	6,715,000	12,585,000	2.80	–	None
Shanghai Haitong Securities Asset Management Co., Ltd.	State-owned legal person	Domestic preference shares	-1,000,000	11,200,000	2.49	–	None
China National Tobacco Corporation Shandong Branch	Other entities	Domestic preference shares	–	10,000,000	2.22	–	None
China National Tobacco Corporation Heilongjiang Branch	Other entities	Domestic preference shares	–	10,000,000	2.22	–	None
Ping An Property & Casualty Insurance Company of China, Ltd.	Domestic non-state-owned legal person	Domestic preference shares	–	10,000,000	2.22	–	None

Notes: (1) The above data are based on the Bank’s register of domestic preference shareholders of “工行優 1” as at 31 December 2025.

(2) China National Tobacco Corporation Shandong Branch and China National Tobacco Corporation Heilongjiang Branch are both wholly-owned subsidiaries of China National Tobacco Corporation; China Life Insurance Company Limited — Traditional — Ordinary insurance products — 005L — CT001 Hu is managed by China Life Insurance Company Limited; Ping An Life Insurance Company of China, Ltd. and Ping An Property & Casualty Insurance Company of China, Ltd. have connected relations. Save as disclosed above, the Bank is not aware of any connected relations or acting-in-concert relations among the aforementioned preference shareholders and among the aforementioned preference shareholders and top 10 ordinary shareholders.

(3) “Shareholding percentage” refers to the percentage of domestic preference shares of “工行優 1” held by preference shareholders in total number (450 million shares) of domestic preference shares of “工行優 1”.

PARTICULARS OF SHAREHOLDING OF THE TOP 10 DOMESTIC PREFERENCE SHAREHOLDERS OF “工行優 2”

Unit: Share

Name of shareholder	Nature of shareholder	Class of shares	Increase/decrease during the reporting period	Shares held at the end of the period	Shareholding percentage (%)	Number of shares subject to restrictions on sales	Number of pledged/locked-up/ marked shares
China Life Insurance Company Limited	State-owned legal person	Domestic preference shares	–	120,000,000	17.14	–	None
China Mobile Communications Group Co., Ltd.	State-owned legal person	Domestic preference shares	–	100,000,000	14.29	–	None
Bohai International Trust Co., Ltd.	State-owned legal person	Domestic preference shares	–	82,251,000	11.75	–	None
Everbright Securities Asset Management Co., Ltd.	State-owned legal person	Domestic preference shares	5,350,000	71,385,000	10.20	–	None
China Credit Trust Co., Ltd.	State-owned legal person	Domestic preference shares	970,000	70,719,000	10.10	–	None
China National Tobacco Corporation	Other entities	Domestic preference shares	–	50,000,000	7.14	–	None
Shanghai Tobacco Group Co., Ltd.	Other entities	Domestic preference shares	–	30,000,000	4.29	–	None
China Fund Management Co., Ltd.	State-owned legal person	Domestic preference shares	9,765,000	24,115,000	3.45	–	None
CITIC Securities Company Limited	State-owned legal person	Domestic preference shares	15,850,000	16,100,000	2.30	–	None
SDIC Taikang Trust Co., Ltd.	State-owned legal person	Domestic preference shares	1,030,000	15,400,000	2.20	–	None

Notes: (1) The above data are based on the Bank’s register of domestic preference shareholders of “工行優 2” as at 31 December 2025.

- (2) China Life Insurance Company Limited — Traditional — Ordinary insurance products — 005L — CT001 Hu is managed by China Life Insurance Company Limited; Shanghai Tobacco Group Co., Ltd., China National Tobacco Corporation Shandong Branch and China National Tobacco Corporation Heilongjiang Branch are all wholly-owned subsidiaries of China National Tobacco Corporation. Save as disclosed above, the Bank is not aware of any connected relations or acting-in-concert relations among the aforementioned preference shareholders and among the aforementioned preference shareholders and top 10 ordinary shareholders.
- (3) “Shareholding percentage” refers to the percentage of domestic preference shares of “工行優 2” held by preference shareholders in total number (700 million shares) of domestic preference shares of “工行優 2”.

## ◆ Dividend Distribution of Preference Shares

As per the resolution and authorization of the Shareholders' General Meeting, the Bank reviewed and approved the implementation of distribution of dividends for “工行優 2” and offshore USD preference shares at the meeting of its Board of Directors on 29 August 2025, permitting the Bank to distribute the dividends on domestic preference shares “工行優 2” on 24 September 2025 and on the offshore USD preference shares on 23 September 2025; the Bank reviewed and approved the implementation of distribution of dividends for “工行優 1” at the meeting of its Board of Directors on 30 October 2025, permitting the Bank to distribute the dividends on domestic preference shares “工行優 1” on 24 November 2025.

Dividends on the Bank's domestic preference shares “工行優 1” and “工行優 2” are paid annually in cash, and calculated based on the aggregate par value of the issued domestic preference shares. Dividends on the Bank's domestic preference shares are non-cumulative. Holders of domestic preference shares are only entitled to dividends at the prescribed dividend rate, but are not entitled to any distribution of residual profits of the Bank together with the holders of ordinary shares. According to the dividend distribution plan in the domestic preference share issuance proposal, the Bank distributed dividends of RMB2,061 million (pre-tax) on the domestic preference share “工行優 1” at a dividend rate of 4.58% (pre-tax); and distributed dividends of RMB2,114 million (pre-tax) on the domestic preference share “工行優 2” at a dividend rate of 3.02% (pre-tax).

Dividends on the Bank's offshore USD preference shares are paid annually in cash, and calculated based on the liquidation preference of the offshore preference shares. Dividends on the Bank's offshore USD preference shares are non-cumulative. Holders of offshore USD preference shares are only entitled to dividends at the prescribed dividend rate, but are not entitled to any distribution of residual profits of the Bank together with the holders of ordinary shares. According to the dividend distribution plan in the offshore USD preference share issuance proposal, total dividends of about USD115.36 million (pre-tax) on the offshore USD preference shares were distributed in USD at a dividend rate of 3.58% (after-tax). According to relevant laws, when the Bank distributes dividends for offshore USD preference shares, the enterprise income tax shall be withheld by the Bank at a rate of 10%. According to the requirements of the terms and conditions of the offshore USD preference shares, the Bank paid the relevant taxes, included in the dividends for offshore USD preference shares.

The table below shows the distribution of dividends on preference shares by the Bank in the past three years:

Type of preference shares	2025		2024		2023	
	Dividend rate	Dividend distributed <sup>(1)</sup>	Dividend rate	Dividend distributed <sup>(1)</sup>	Dividend rate	Dividend distributed <sup>(1)</sup>
Domestic preference share “工行優 1”	4.58%	RMB2,061 million	4.58%	RMB2,061 million	4.58%	RMB2,061 million
Domestic preference share “工行優 2”	3.02%	RMB2,114 million	4.20%	RMB2,940 million	4.20%	RMB2,940 million
Offshore USD preference share <sup>(2)</sup>	3.58%	About USD115.36 million	3.58%	About USD115.36 million	3.58%	About USD115.36 million

Notes: (1) Dividend distributed includes tax.

(2) Offshore USD preference share refers to USD2.9 billion preference shares issued offshore by the Bank at a dividend rate of 3.58% (after-tax) in 2020. The Bank redeemed all of the aforementioned offshore USD preference shares on 23 September 2025.

The above-mentioned preference share dividend distribution plans have been fulfilled. For particulars of the Bank’s distribution of dividends on preference shares, please refer to the announcements of the Bank on the website of the SSE, the “HKEXnews” website of the HKEX and the website of the Bank.

### ◆ Redemption or Conversion of Preference Shares

The Bank issued U.S.\$2,900,000,000 Offshore Preference Shares (the “USD Offshore Preference Shares”) in the offshore market in 2020. On 29 April 2025, the Board of Directors of the Bank considered and approved the Proposal on Exercising the Redemption Right of the U.S.\$2,900,000,000 Offshore Preference Shares. On 23 July 2025, the Bank received a reply letter from the NFRA, pursuant to which, no objections were raised by the NFRA to the Bank’s redemption of U.S.\$2,900,000,000 Offshore Preference Shares. On 23 September 2025 (the “Redemption Date”), pursuant to the terms and conditions of the USD Offshore Preference Shares (the “Terms and Conditions”) and the reply letter from the NFRA, the Bank redeemed the aforementioned USD Offshore Preference Shares in whole at the redemption price of each USD Offshore Preference Share (being the aggregate of an amount equal to the Liquidation Preference (as defined in the Terms and Conditions) of each USD Offshore Preference Share plus any declared but unpaid dividends in respect of the period from (and including) the immediately preceding dividend payment date to (but excluding) the Redemption Date). Subsequent to the redemption and cancellation of the aforementioned USD Offshore Preference Shares on the Redemption Date, there are no USD Offshore Preference Shares in issue in the offshore market.

Please refer to the announcements published by the Bank on the website of the SSE, the “HKEXnews” website of the HKEX and the website of the Bank.

During the reporting period, the Bank did not convert any preference share.

### ◆ **Restoration of Voting Rights of Preference Shares**

During the reporting period, the Bank did not restore any voting right of preference share.

### ◆ **Accounting Policy Adopted for Preference Shares and Rationale**

According to the Accounting Standard for Business Enterprises No. 22 — Recognition and Measurement of Financial Instruments, the Accounting Standard for Business Enterprises No. 37 — Presentation of Financial Instruments promulgated by the MOF as well as the International Financial Reporting Standard 9 — Financial Instruments and the International Accounting Standard 32 — Financial Instruments: Presentation promulgated by International Accounting Standards Board and other accounting standards and the key terms of issuance of the Bank’s preference shares, the issued and existing preference shares do not contain contractual obligations to deliver cash or other financial assets or contractual obligations to deliver variable equity instruments for settlement, and shall be accounted for as other equity instruments.

## 6. Other Information

### Corporate Governance Code

During the reporting period, the Bank complied with the principles, code provisions and recommended best practices stipulated in the Corporate Governance Code (Appendix C1 to the Hong Kong Listing Rules), which are applicable to the 2025 Annual Report.

### Profit and Dividend Distribution

The profit and financial position of the Bank during the reporting period are presented in the Auditor's Report and Financial Statements of this annual report of the Bank.

As approved at the Annual General Meeting for the Year 2024 held on 27 June 2025, the Bank has distributed 2024 year-end cash dividends for ordinary shares of about RMB58,664 million in total to the ordinary shareholders whose names appeared on the share register after the close of market on 11 July 2025, and, plus 2024 interim cash dividends for ordinary shares of about RMB51,109 million distributed, the Bank distributed cash dividend of RMB3.080 per ten shares (pre-tax) for the whole year of 2024, totaling about RMB109,773 million, to the ordinary shareholders.

As approved at the Second Extraordinary Shareholders' Meeting of 2025 held on 28 November 2025, the Bank has distributed 2025 interim cash dividends for ordinary shares of about RMB50,396 million in total, or RMB1.414 per ten shares (pre-tax) to the ordinary shareholders whose names appeared on the share register after the close of market on 12 December 2025.

The Board of Directors of the Bank proposed distributing 2025 year-end cash dividends for ordinary shares of RMB1.689 (pre-tax) for each ten shares of 356,406,257,089 ordinary shares, totaling about RMB60,197 million. The Bank will distribute cash dividends of about RMB110,593 million, or RMB3.103 per ten shares (pre-tax) for the whole year. The distribution plan will be submitted to the Shareholders' Meeting of the Bank for approval. Once approved, the 2025 year-end cash dividends for ordinary shares will be paid to the holders of A shares and H shares whose names appeared on the share register of the Bank after the close of market on 12 May 2026. The Bank will suspend the registration procedures of H share ownership transfer on 6 May 2026 (inclusive) through 12 May 2026 (inclusive). The holders of H shares of the Bank that desire to receive the proposed cash dividends but have not registered the ownership transfer documents are requested to hand over their ownership transfer documents together with the relevant share certificates to the Bank's H share registrar — Computershare Hong Kong Investor Services Limited that is located at Rooms 1712-1716, 17 Floor, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong SAR, China no later than 4:30 p.m. on 5 May 2026. Pursuant to relevant regulatory requirements and operational rules, dividends on A shares and H shares will be paid on 13 May 2026 and 16 June 2026, respectively. The Bank's 2025 year-end cash dividends for ordinary shares are denominated and declared in RMB and paid in RMB or HKD equivalent, and the holders of H shares are provided with the option of dividend distribution in RMB. The holders of H shares have the right to choose to receive the year-end dividends of H shares in RMB or HKD in whole (HKSCC Nominees Limited may choose to receive the year-end dividends in whole or in part). The HKD exchange rate is the average of the reference exchange rates for RMB to HKD

published daily at 11:00 a.m. by the China Foreign Exchange Trade System for the five business days prior to (but excluding) the dispatch date of the dividend currency election form by the Bank to holders of H shares.

For dividend-related tax and tax reduction, please refer to the announcements on dividend distribution of the Bank.

The Bank did not convert any capital reserve to share capital in the last three years. The table below sets out the cash dividend distribution of ordinary shares for the last three years:

Item	2025	2024	2023
Dividend per ten shares (pre-tax, in RMB yuan)	3.103	3.080	3.064
Cash dividends (pre-tax, in RMB millions)	110,593	109,773	109,203
Percentage of cash dividends <sup>(1)</sup> (%)	31.0	31.3	31.3

Note: (1) Calculated by dividing cash dividends on ordinary shares (pre-tax) by net profit attributable to ordinary shareholders of the parent company for the period.

For details on the distribution of dividends on preference shares, please refer to the section headed “Details of Changes in Share Capital and Shareholding of Substantial Shareholders — Preference Shares”.

## **Implementation of the Valuation Enhancement Plan and Initiative for Special Action “Quality and Efficiency Improvement, and High Return”**

In accordance with the relevant requirements of the CSRC’s Regulatory Guidelines for Listed Companies No. 10 — Market Value Management and the SSE’s initiative for special action “Quality and Efficiency Improvement, and High Return” to Shanghai-listed companies, the Board of Directors of the Bank formulated the Market Value Management Measures and the Plan for Valuation Enhancement, Quality and Efficiency Improvement, and High Return.

During the reporting period, the Bank thoroughly implemented the decisions and plans of the CPC Central Committee and the State Council, adhered to the principle of seeking progress while maintaining stability and promoting stability through progress, and advanced the “five transformations”. It focused on its major responsibilities and core businesses, upheld integrity while fostering innovation, strengthened risk and compliance management, and drove high-quality development. (For details on the analysis of the Bank’s business operation, please refer to the section headed “Discussion and Analysis”.) The Bank actively fulfilled its responsibilities as a major bank, committed to creating value for shareholders and serving investors, while maintaining a reasonable dividend payout ratio. (For details on the Bank’s dividend distribution, please refer to the section headed “Other Information — Profit and Dividend Distribution”.) Centering on investors, the Bank proactively deepened communication through regular results briefings, diversified investor relations activities and reverse roadshows, to foster greater understanding and recognition of the Bank among investors. The Bank continued to uphold the principles of truthfulness, accuracy, completeness, comparability, timeliness and fairness, and strictly complied with laws, regulations, and regulatory requirements on information disclosure to constantly strengthen transparency as a listed company and continuously improve investor protection.

## **Purchase, Sale and Redemption of Shares**

During the reporting period, the Bank redeemed all of the USD2.9 billion preference shares issued in the offshore market in September 2020. For details on the redemption of the offshore USD preference shares, please refer to the section headed “Details of Changes in Share Capital and Shareholding of Substantial Shareholders — Preference Shares”.

During the reporting period, neither the Bank nor any of its subsidiaries purchased, sold or redeemed other listed shares (including sale of treasury shares) of the Bank. As at 31 December 2025, the Bank and its subsidiaries did not hold any treasury shares.

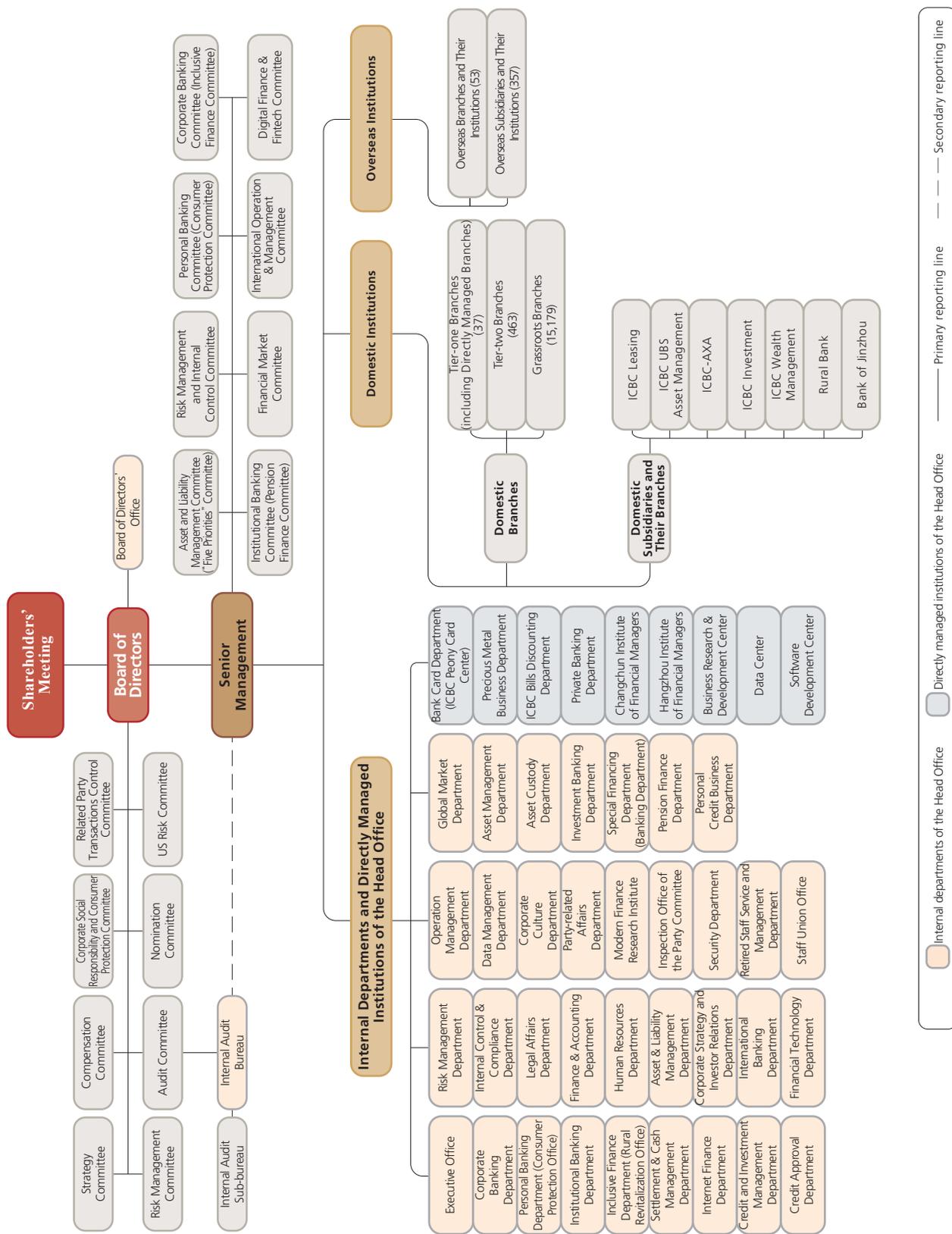
## **Securities Transactions of Directors**

The Bank has adopted a set of codes of conduct concerning the securities transactions by directors which are no less stringent than the standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers (Appendix C3 to the Hong Kong Listing Rules). After making enquiries and confirmations to all Directors of the Bank, each Director confirmed that he/she has complied with the provisions of the aforesaid codes of conduct during the reporting period.

## **Material Assets Acquisition, Sale and Merger**

During the reporting period, the Bank did not engage in any material assets acquisition, sale or merger that would be recognized as such in accordance with the relevant laws and regulations, including the listing rules in the Bank’s places of listing.

# 7. Organizational Chart



Note: The above chart shows the organizational chart of the Bank as at the end of 2025.

## **8. Auditor's Report and Financial Report**

(See the Appendices)

## 9. List of Domestic and Overseas Branches and Offices

### Domestic Institutions

#### ANHUI BRANCH

Address: No. 189 Wuhu Road, Hefei  
City, Anhui Province, China  
Postcode: 230001  
Tel: 0551-62869178/62868101  
Fax: 0551-62868077

#### BEIJING BRANCH

Address: Tower B, Tianyin Mansion,  
No. 2 Fuxingmen South Street, Xicheng  
District, Beijing, China  
Postcode: 100031  
Tel: 010-66410579  
Fax: 010-66410579

#### CHONGQING BRANCH

Address: No. 61 Taichang Road, Nan'an  
District, Chongqing, China  
Postcode: 400061  
Tel: 023-62918002  
Fax: 023-62918059

#### DALIAN BRANCH

Address: No. 5 Zhongshan Square, Dalian  
City, Liaoning Province, China  
Postcode: 116001  
Tel: 0411-82378888  
Fax: 0411-82808377

#### FUJIAN BRANCH

Address: No. 108 Gutian Road, Fuzhou  
City, Fujian Province, China  
Postcode: 350005  
Tel: 0591-88087835/88087000  
Fax: 0591-83353905/83347074

#### GANSU BRANCH

Address: No. 408 Qingyang Road,  
Chengguan District, Lanzhou City, Gansu  
Province, China  
Postcode: 730030  
Tel: 0931-8436609  
Fax: 0931-8435166

#### GUANGDONG BRANCH

Address: No. 123 Yanjiang West Road,  
Guangzhou City, Guangdong Province,  
China  
Postcode: 510120  
Tel: 020-81308130  
Fax: 020-81308789

#### GUANGXI BRANCH

Address: No. 15-1 Jiaoyu Road, Nanning  
City, Guangxi Zhuang Autonomous  
Region, China  
Postcode: 530022  
Tel: 0771-5316617  
Fax: 0771-5316617/2806043

#### GUIZHOU BRANCH

Address: No. 200 Zhonghua North Road,  
Yunyan District, Guiyang City, Guizhou  
Province, China  
Postcode: 550001  
Tel: 0851-88620004/88620018  
Fax: 0851-85963911

#### HAINAN BRANCH

Address: No. 54 Heping South Road,  
Haikou City, Hainan Province, China  
Postcode: 570203  
Tel: 0898-65303138/65342829  
Fax: 0898-65342986

#### HEBEI BRANCH

Address: Tower B, Zhonghua Shangwu  
Tower, No. 188 Zhongshan West Road,  
Shijiazhuang City, Hebei Province, China  
Postcode: 050051  
Tel: 0311-66000001/66001999  
Fax: 0311-66000002

#### HENAN BRANCH

Address: No. 99 Jingsan Road, Zhengzhou  
City, Henan Province, China  
Postcode: 450011  
Tel: 0371-65776888/65776808  
Fax: 0371-65776889/65776988

#### HEILONGJIANG BRANCH

Address: No. 218 Zhongyang Street,  
Daoli District, Harbin City, Heilongjiang  
Province, China  
Postcode: 150010  
Tel: 0451-84668191/84668577  
Fax: 0451-84698115

#### HUBEI BRANCH

Address: No. 31 Zhongbei Road,  
Wuchang District, Wuhan City, Hubei  
Province, China  
Postcode: 430071  
Tel: 027-69908676/69908658  
Fax: 027-69908040

#### HUNAN BRANCH

Address: No. 619 Furong Middle Road Yi  
Duan, Changsha City, Hunan Province,  
China  
Postcode: 410011  
Tel: 0731-84428833/84420000  
Fax: 0731-84430039

#### JILIN BRANCH

Address: No. 9559 Renmin Avenue,  
Changchun City, Jilin Province, China  
Postcode: 130022  
Tel: 0431-89569308  
Fax: 0431-88923808

#### JIANGSU BRANCH

Address: No. 408 Zhongshan South Road,  
Nanjing City, Jiangsu Province, China  
Postcode: 210006  
Tel: 025-52858000  
Fax: 025-52858111

#### JIANGXI BRANCH

Address: No. 888, Fenghe Middle Avenue,  
Honggutan District, Nanchang City, Jiangxi  
Province, China  
Postcode: 330038  
Tel: 0791-86695682/86695018  
Fax: 0791-86695230

#### LIAONING BRANCH

Address: No. 88 Nanjing North Road,  
Heping District, Shenyang City, Liaoning  
Province, China  
Postcode: 110001  
Tel: 024-23491600  
Fax: 024-23491609

#### INNER MONGOLIA BRANCH

Address: No. 10 Silk Road Avenue,  
Xincheng District, Hohhot City, Inner  
Mongolia Autonomous Region, China  
Postcode: 010060  
Tel: 0471-6940833/6940297  
Fax: 0471-6940048

#### NINGBO BRANCH

Address: No. 218 Zhongshan West Road,  
Ningbo City, Zhejiang Province, China  
Postcode: 315010  
Tel: 0574-87361162  
Fax: 0574-87361190

#### NINGXIA BRANCH

Address: No. 67 Zhonghai Road,  
Jinfeng District, Yinchuan City, Ningxia  
Autonomous Region, China  
Postcode: 750002  
Tel: 0951-5029739  
Fax: 0951-5890917

#### QINGDAO BRANCH

Address: No. 25 Shandong Road, Shinan  
District, Qingdao City, Shandong Province,  
China  
Postcode: 266071  
Tel: 0532-66211001  
Fax: 0532-85814711

#### QINGHAI BRANCH

Address: No. 2 Shengli Road, Xining City,  
Qinghai Province, China  
Postcode: 810001  
Tel: 0971-6169712/6152326  
Fax: 0971-6152326

#### SHANDONG BRANCH

Address: No. 310 Jingsi Road, Jinan  
City, Shandong Province, China  
Postcode: 250001  
Tel: 0531-66681114  
Fax: 0531-87941749/66681200

#### SHANXI BRANCH

Address: No. 145 Yingze Street, Taiyuan  
City, Shanxi Province, China  
Postcode: 030001  
Tel: 0351-6248888/6248011  
Fax: 0351-6248004

#### SHAANXI BRANCH

Address: No. 395 Dongxin Street, Xi'an  
City, Shaanxi Province, China  
Postcode: 710004  
Tel: 029-87602608/87602630  
Fax: 029-87602999

#### SHANGHAI BRANCH

Address: No. 8 Yincheng Road, Pudong  
New Area, Shanghai, China  
Postcode: 200120  
Tel: 021-68088888/58885888  
Fax: 021-58882888

#### SHENZHEN BRANCH

Address: Shenzhen ICBC Building, No.  
1255 Haide 3<sup>rd</sup> Road, Nanshan District,  
Shenzhen City, Guangdong Province,  
China  
Postcode: 518054  
Tel: 0755-82246400  
Fax: 0755-82246247

#### SICHUAN BRANCH

Address: No. 45 Zongfu Road, Jinjiang  
District, Chengdu City, Sichuan  
Province, China  
Postcode: 610020  
Tel: 028-82866000  
Fax: 028-82866025

#### TIANJIN BRANCH

Address: No. 123 Weidi Road, Hexi  
District, Tianjin, China  
Postcode: 300074  
Tel: 022-28400648  
Fax: 022-28400123/28400647

#### XIAMEN BRANCH

Address: Floors 24, 25, 26 (Main Tower)  
& Floor 3 (Annex Building), Xiamen  
Shangda Building, No. 123 Hubin  
Middle Road, Siming District, Xiamen  
City, Fujian Province, China  
Postcode: 361004  
Tel: 0592-5292000  
Fax: 0592-5054663

#### XINJIANG BRANCH

Address: No. 231 Renmin Road,  
Tianshan District, Urumqi, Xinjiang  
Autonomous Region, China  
Postcode: 830002  
Tel: 0991-5982305  
Fax: 0991-2828608

#### XIZANG BRANCH

Address: Building A, Shengcheng  
Jinyuan Commercial Complex, No. 107  
Jinzu West Road, Chengguan District,  
Lhasa, Xizang Autonomous Region  
Postcode: 850000  
Tel: 0891-6898002  
Fax: 0891-6898001

#### YUNNAN BRANCH

Address: Bank Mansion, No. 395  
Qingnian Road, Kunming City, Yunnan  
Province, China  
Postcode: 650021  
Tel: 0871-63178888  
Fax: 0871-63134637

#### ZHEJIANG BRANCH

Address: No. 66 Juyuan Road,  
Shangcheng District, Hangzhou City,  
Zhejiang Province, China  
Postcode: 310016  
Tel: 0571-87803888  
Fax: 0571-87808207

SUZHOU BRANCH

Address: No. 122, Wangdun Road, Suzhou  
Industrial Park, Jiangsu Province, China  
Postcode: 215028  
Tel: 0512-65008928  
Fax: 0512-65008928

ICBC UBS Asset Management Co., Ltd.

Address: Tower A, Xinsheng Plaza, No. 5  
Financial Street, Xicheng District, Beijing,  
China  
Postcode: 100033  
Tel: 010-66583349  
Fax: 010-66583158

ICBC Financial Leasing Co., Ltd.

Address: Taida MSD-B1, No. 62 Second  
Street, Economic Development Zone,  
Tianjin, China  
Postcode: 300457  
Tel: 022-66283766/010-66105888  
Fax: 022-66224510/010-66105999

ICBC-AXA Assurance Co., Ltd.

Address: 34/F, No. 16 Yincheng Road,  
Pudong New Area, Shanghai, China  
Postcode: 200120  
Tel: 021-58792288  
Fax: 021-58792299

ICBC Financial Asset Investment Co., Ltd.

Address: 19-20/F, Tower B, Yang Zi S&T  
Innovation Center Phase I, Jiangbei New  
Area, No. 211 Pubin Road, Nanjing City,  
Jiangsu Province, China  
Postcode: 211800  
Tel: 025-58172219

ICBC Wealth Management Co., Ltd.

Address: No. 6 Financial Street, Xicheng  
District, Beijing, China  
Postcode: 100032  
Tel: 010-86509184  
Fax: 010-86509835

Zhejiang Pinghu ICBC Rural Bank Co.,  
Ltd.

Address: No. 258 Chengnan West Road,  
Pinghu City, Zhejiang Province, China  
Postcode: 314200  
Tel: 0573-85139616  
Fax: 0573-85139626

Bank of Jinzhou Co., Ltd.

Address: No. 68 Keji Road, Jinzhou City,  
Liaoning Province, China  
Postcode: 121013  
Tel: 0416-2818000/2111036  
Fax: 0416-3220003

## Overseas Institutions

### Hong Kong SAR and Macao SAR

Industrial and Commercial Bank of China Limited, Hong Kong Branch  
Address: 33/F, ICBC Tower, 3 Garden Road, Central, Hong Kong SAR, China  
Email: icbchk@icbcasia.com  
Tel: + 852-25881188  
Fax: + 852-25881160  
SWIFT: ICBKHKHH

Industrial and Commercial Bank of China (Asia) Limited  
Address: 33/F, ICBC Tower, 3 Garden Road, Central, Hong Kong SAR, China  
Email: enquiry@icbcasia.com  
Tel: +852-35108888  
Fax: +852-28051166  
SWIFT: UBHKHKHH

ICBC International Holdings Limited  
Address: 37/F, ICBC Tower, 3 Garden Road, Central, Hong Kong SAR, China  
Email: info@icbci.com  
Tel: +852-26833888  
Fax: +852-26833900  
SWIFT: ICILHKH1

Industrial and Commercial Bank of China (Macao) Limited  
Address: 18<sup>th</sup> Floor, ICBC Tower, Macau Landmark, 555 Avenida da Amizade, Macao SAR, China  
Email: icbc@mc.icbc.com.cn  
Tel: +853-28555222  
Fax: +853-28338064  
SWIFT: ICBKMOMX

Industrial and Commercial Bank of China Limited, Macau Branch  
Address: Alm. Dr. Carlos d'Assumpcao, No.393-437, 9 Andar, Edf. Dynasty Plaza, Macao SAR, China  
Email: icbc@mc.icbc.com.cn  
Tel: +853-28555222  
Fax: +853-28338064  
SWIFT: ICBKMOMM

### Asia-Pacific

Industrial and Commercial Bank of China Limited, Tokyo Branch  
Address: Dai-ichi Life Hibiya First 9F, 1-13-2, Yurakucho, Chiyoda-ku, Tokyo, Japan  
Email: icbctokyo@tk.icbc.com.cn  
Tel: +813-52232088  
Fax: +813-52198525  
SWIFT: ICBKJPJT

Industrial and Commercial Bank of China Limited, Seoul Branch  
Address: 16<sup>th</sup> Floor, Taepyeongno Bldg., #73 Sejong-daero, Jung-gu, Seoul 100-767, Korea  
Email: icbcseoul@kr.icbc.com.cn  
Tel: +82-27555688  
Fax: +82-27553748  
SWIFT: ICBKKRSE

Industrial and Commercial Bank of China  
Limited, Busan Branch  
Address: 1<sup>st</sup> Floor, ABL Life Bldg.,  
# 640 Jungang -daero, Busanjin-gu, Busan  
47353, Korea  
Email: busanadmin@kr.icbc.com.cn  
Tel: +82-514638788  
Fax: +82-514636880  
SWIFT: ICBKKRSE

Industrial and Commercial Bank of China  
Limited, Mongolia Representative Office  
Address: Unit 908, 9<sup>th</sup> floor, Shangri-la  
Office, Shangri-la Centre, 19A Olympic  
Street, Sukhbaatar District-1, Ulaanbaatar,  
Mongolia  
Email: mgdbcgw@dccsh.icbc.com.cn  
Tel: +976-77108833, +976-77106677

Industrial and Commercial Bank of China  
Limited, Singapore Branch  
Address: 6 Raffles Quay #12-01, Singapore  
048580  
Email: icbcsg@sg.icbc.com.cn  
Tel: +65-65381066  
Fax: +65-65381370  
SWIFT: ICBKSGSG

PT. Bank ICBC Indonesia  
Address: The City Tower 32<sup>nd</sup> Floor, Jl.  
M.H. Thamrin No. 81, Jakarta Pusat 10310,  
Indonesia  
Email: cs@ina.icbc.com.cn  
Tel: +62-2123556000  
Fax: +62-2131996016  
SWIFT: ICBKIDJA

Industrial and Commercial Bank of China  
(Malaysia) Berhad  
Address: Level 10, Menara Maxis, Kuala  
Lumpur City Centre, 50088 Kuala Lumpur,  
Malaysia  
Email: icbcmalaysia@my.icbc.com.cn  
Tel: +603-23013399  
Fax: +603-23013388  
SWIFT: ICBKMYKL

Industrial and Commercial Bank of China  
Limited, Manila Branch  
Address: 24F, The Curve, 32<sup>nd</sup> Street  
Corner, 3<sup>rd</sup> Ave, BGC, Taguig City, Manila  
1634, Philippines  
Email: info@ph.icbc.com.cn  
Tel: +63-282803300  
Fax: +63-284032023  
SWIFT: ICBKPHMM

Industrial and Commercial Bank of China  
(Thai) Public Company Limited  
Address: 622 Emporium Tower, L,  
11<sup>th</sup>-13<sup>th</sup> Fl., Sukhumvit Road, Khlong Ton,  
Khlong Toei, Bangkok, Thailand  
Tel: +66-26295588  
Fax: +66-26639888  
SWIFT: ICBKTHBK

Industrial and Commercial Bank of China  
Limited, Hanoi City Branch  
Address: 9 - Storey Building, Diamond  
Park Plaza, No.16 Lang Ha Street, Giang  
Vo Ward, Hanoi City, Vietnam  
Email: hanoiadmin@vn.icbc.com.cn  
Tel: +84-2462698888  
Fax: +84-2462699800  
SWIFT: ICBKVNPN

Industrial and Commercial Bank of China  
Limited, Ho Chi Minh City Representative  
Office  
Address: 12<sup>th</sup> floor Deutsches Haus  
building, 33 Le Duan Street, Sai Gon Ward,  
Ho Chi Minh City, Vietnam  
Email: hcmadmin@vn.icbc.com.cn  
Tel: +84-28-35208991

Industrial and Commercial Bank of China  
Limited, Vientiane Branch  
Address: Asean Road, Home No.358,  
Unit 12, Sibounheuang Village,  
Chanthabouly District, Vientiane Capital,  
Lao PDR  
Email: icbcvte@la.icbc.com.cn  
Tel: +856-21258888  
SWIFT: ICBKLALA

Industrial and Commercial Bank of China  
Limited, Phnom Penh Branch  
Address: 17<sup>th</sup> Floor, Exchange Square, No.  
19-20, Street 106, Phnom Penh, Cambodia  
Email: icbckh@kh.icbc.com.cn  
Tel: +855-23955880  
Fax: + 855-23965268  
SWIFT: ICBKKHPP

Industrial and Commercial Bank of China  
Limited, Yangon Branch  
Address: ICBC Center, Crystal Tower,  
Kyun Taw Road, Kamayut Township,  
Yangon, Myanmar  
Tel: +95-1-9339270  
Fax: +95-1-9339278  
SWIFT: ICBKMMMY

Industrial and Commercial Bank of China  
(Almaty) Joint Stock Company  
Address: 150/230, Abai/Turgut Ozal Street,  
Almaty, Kazakhstan. 050046  
Email: office@kz.icbc.com.cn  
Tel: +7-7272377085  
SWIFT: ICBKKZKX

Industrial and Commercial Bank of China  
Limited, Karachi Branch  
Address: 15<sup>th</sup> & 16<sup>th</sup> Floor, Ocean Tower,  
G-3, Block-9, Scheme # 5, Main Clifton  
Road, Karachi, Pakistan.P.C:75600  
Email: service@pk.icbc.com.cn  
Tel: +92-2135208985  
Fax: +92-2135208930  
SWIFT: ICBKPKKA

Industrial and Commercial Bank of China  
Limited, Mumbai Branch  
Address: Unit No. 407, 408 & 409,  
4<sup>th</sup> Floor, A Wing, The Capital, C-70,  
G Block, Bandra Kurla Complex, Bandra  
East, Mumbai, India -400051  
Email: icbcmumbai@india.icbc.com.cn  
Tel: +91-2271110300  
Fax: +91-2271110353  
SWIFT: ICBKINBB

Industrial and Commercial Bank of China  
Limited, Dubai (DIFC) Branch  
Address: Level 1/106, Level 2/206, Level  
4/402, Level 5&6, Gate Village Building  
1, Dubai International Financial Center,  
Dubai, United Arab Emirates P.O.Box:  
506856  
Email: aimin@dxb.icbc.com.cn  
Tel: +971-47031111  
Fax: +971-47031199  
SWIFT: ICBKAEAD

Industrial and Commercial Bank of China  
Limited, Abu Dhabi Branch  
Address: Addax Tower Offices 5207, 5208  
and 5209, Al Reem Island, Abu Dhabi,  
United Arab Emirates P.O. Box 62108  
Email: icbcauh@auh.icbc.com.cn  
Tel: +971-24998600  
Fax: +971-24998622  
SWIFT: ICBKAEAA

Industrial and Commercial Bank of China  
Limited, Doha (QFC) Branch  
Address: Level 37, Burj Doha, Al Corniche  
Street, West Bay, Doha, Qatar P.O. BOX:  
11217  
Email: icbcdoha@doh.icbc.com.cn  
Tel: +974-44072777  
Fax: +974-44072751  
SWIFT: ICBKQAQA

Industrial and Commercial Bank of China  
Limited, Riyadh Branch  
Address: Level 4&8, Al Faisaliah Tower  
Building No: 7277-King Fahad Road Al  
Olaya, Zip Code: 12212, Additional No.:  
3333, Unit No.:95, Kingdom of Saudi  
Arabia  
Email: service@sa.icbc.com.cn  
Tel: +966-112899888  
Fax: +966-112899879  
SWIFT: ICBKSARI

Industrial and Commercial Bank of China  
Limited, Kuwait Branch  
Address: Building 2A (Al-Tijaria Tower),  
Floor 7&8, Al-Soor Street, Al-Morqab,  
Block 3, Kuwait City, Kuwait  
Email: info@kw.icbc.com.cn  
Tel: +965-22281777  
Fax: +965-22281799  
SWIFT: ICBKKWKW

Industrial and Commercial Bank of China  
Limited, Sydney Branch  
Address: Level 42, Tower 1, International  
Towers, 100 Barangaroo Avenue, Sydney  
NSW 2000 Australia  
Email: info@icbc.com.au  
Tel: +612-94755588  
Fax: +612-82885878  
SWIFT: ICBKAU2S

Industrial and Commercial Bank of China  
(New Zealand) Limited  
Address: Level 11, 188 Quay Street,  
Auckland 1010, New Zealand  
Email: info@nz.icbc.com.cn  
Tel: +64-93747288  
Fax: +64-93747287  
SWIFT: ICBKNZ2A

Industrial and Commercial Bank of China  
Limited, Auckland Branch  
Address: Level 11, 188 Quay Street,  
Auckland 1010, New Zealand  
Email: info@nz.icbc.com.cn  
Tel: +64-93747288  
Fax: +64-93747287  
SWIFT: ICBKNZ22

## **Europe**

Industrial and Commercial Bank of China  
Limited, Frankfurt Branch  
Address: Bockenheimer Landstraße 39,  
60325 Frankfurt am Main, Germany  
Email: icbc@icbc-ffm.de  
Tel: +49-6950604700  
Fax: +49-6950604708  
SWIFT: ICBKDEFF

Industrial and Commercial Bank of China  
Limited, Luxembourg Branch  
Address: 32, Boulevard Royal, L-2449  
Luxembourg, B.P.278 L-2012 Luxembourg  
Email: office@eu.icbc.com.cn  
Tel: +352-2686661  
Fax: +352-2686 66 6000  
SWIFT: ICBKLULL

Industrial and Commercial Bank of China  
(Europe) S.A.  
Address: 32, Boulevard Royal, L-2449  
Luxembourg, B.P.278 L-2012 Luxembourg  
Email: office@eu.icbc.com.cn  
Tel: +352-2686661  
Fax: +352-2686 66 6000  
SWIFT: ICBKLULU

Industrial and Commercial Bank of China  
(Europe) S.A. Paris Branch  
Address: 73 Boulevard Haussmann, 75008,  
Paris, France  
Email: administration@fr.icbc.com.cn  
Tel: +33-140065858  
Fax: +33-140065899  
SWIFT: ICBKFRPP

Industrial and Commercial Bank of China  
(Europe) S.A. Amsterdam Branch  
Address: Johannes Vermeerstraat 7-9, 1071  
DK, Amsterdam, the Netherlands  
Email: icbcamsterdam@nl.icbc.com.cn  
Tel: +31-205706666  
Fax: +31-205706603  
SWIFT: ICBKNL2A

Industrial and Commercial Bank of China  
(Europe) S.A. Brussels Branch  
Address: 81, Avenue Louise, 1050  
Brussels, Belgium  
Email: info@be.icbc.com.cn  
Tel: +32-2-5398888  
Fax: +32-2-5398870  
SWIFT: ICBKBEBB

Industrial and Commercial Bank of China  
(Europe) S.A. Milan Branch  
Address: Via Tommaso Grossi 2, 20121,  
Milano, Italy  
Email: banking@it.icbc.com.cn  
Tel: +39-0200668899  
Fax: +39-0200668888  
SWIFT: ICBKITMM

Industrial and Commercial Bank of China  
(Europe) S.A. Sucursal en España  
Address: Paseo de Recoletos, 12, 28001,  
Madrid, España  
Email: gad.dpt@es.icbc.com.cn  
Tel: +34-912168837  
Fax: +34-912168866  
SWIFT: ICBKESMM

Industrial and Commercial Bank of China  
(Europe) S.A. Poland Branch  
Address: Plac Trzech Krzyży 18, 00-499,  
Warszawa, Poland  
Email: info@pl.icbc.com.cn  
Tel: +48-222788015  
Fax: +48-222788090  
SWIFT: ICBKPLPW

Industrial and Commercial Bank of China  
(Europe) S.A. Greece Representative Office  
Address: Leof. Kifisias 340, Neo Psychiko  
154 51 Greece  
Email: GAD@gr.icbc.com.cn  
Tel: +30-2166868888  
Fax: +30-2166868889

Industrial and Commercial Bank of China  
(Macau) S.A. Lisbon Representative Office  
Address: Av. Miguel Bombarda 36, Piso 8,  
801 (A), 1050-165, Lisboa, Portugal  
Tel: +351-211541970

ICBC (London) PLC  
Address: 81 King William Street, London  
EC4N 7BG, UK  
Email: hr\_admin@ld.icbc.com.cn  
Tel: +44-2073978888  
SWIFT: ICBKGB2L

Industrial and Commercial Bank of China  
Limited, London Branch  
Address: 81 King William Street, London  
EC4N 7BG, UK  
Email: hr\_admin@ld.icbc.com.cn  
Tel: +44-2073978888  
SWIFT: ICBKGB3L

ICBC Standard Bank PLC  
Address: 20 Gresham Street, London,  
United Kingdom, EC2V 7JE  
Email: londonmarketing@icbcstandard.com  
Tel: +44-2031455000  
Fax: +44-2031895000  
SWIFT: SBLLGB2L

Bank ICBC (joint stock company)  
Address: Building 29, Serebryanicheskaya  
embankment, Moscow, Russia Federation  
109028  
Email: info@ms.icbc.com.cn  
Tel: +7-4952873099  
Fax: +7-4952873098  
SWIFT: ICBKRUMM

ICBC Turkey Bank Anonim Şirketi  
Address: Maslak Mah. Dereboyu, 2 Caddesi  
No: 13 34398 Sarıyer, İSTANBUL  
Email: gongwen@tr.icbc.com.cn  
Tel: +90-2123355150  
SWIFT: ICBKTRIS

Industrial and Commercial Bank of China  
Limited, Prague Branch, odštěpný závod  
Address: 12F City Empiria, Na Strži  
1702/65, 14000 Prague 4 – Nusle, Czech  
Republic  
Email: info@cz.icbc.com.cn  
Tel: +420-237762888  
Fax: +420-237762899  
SWIFT: ICBK CZPP

Industrial and Commercial Bank of China  
Limited, Beijing, Zurich Branch  
Address: Nüscherstrasse 1, CH-8001,  
Zurich, Switzerland  
Email: info@ch.icbc.com.cn  
Tel: +41-58-9095588  
Fax: +41-58-9095577  
SWIFT: ICBK CHZZ

ICBC Austria Bank GmbH  
Address: Kolingasse 4, 1090 Vienna,  
Austria  
Email: generaldept@at.icbc.com.cn  
Tel: +43-1-9395588  
Fax: +43-1-9395588-6800  
SWIFT: ICBK ATWW

## **Americas**

Industrial and Commercial Bank of China  
Limited, New York Branch  
Address: 1185 Avenue of the Americas,  
18<sup>th</sup> Floor, New York, NY, USA, 10036  
Email: info-nyb@us.icbc.com.cn  
Tel: +1-2128387799  
Fax: +1-6467070567  
SWIFT: ICBK US33

Industrial and Commercial Bank of China  
(USA) NA  
Address: 1185 Avenue of the Americas,  
16<sup>th</sup> Floor, New York, NY 10036  
Email: info@us.icbc.com.cn  
Tel: +1-2122388208  
Fax: +1-2122193211  
SWIFT: ICBK US3N

Industrial and Commercial Bank of China  
(Canada)  
Address: Unit 3710, Bay Adelaide Centre,  
333 Bay Street, Toronto, Ontario, M5H  
2R2, Canada  
Email: info@icbk.ca  
Tel: +1-4163665588  
Fax: +1-4166072000  
SWIFT: ICBK CAT2

Industrial and Commercial Bank of China  
Mexico S.A.  
Address: Paseo de la Reforma 250, Piso 18,  
Col. Juarez, C.P.06600, Del. Cuauhtemoc,  
Ciudad de Mexico  
Email: info.mx @icbc.com.mx  
Tel: +52-5541253388  
SWIFT: ICBK MXMM

Industrial and Commercial Bank of China  
(Brasil) S.A.  
Address: Av. Brigadeiro Faria Lima,  
3477-Block B-6 andar-SAO PAULO/SP-  
Brasil  
Email: bxgw@br.icbc.com.cn  
Tel: +55-1123956600  
SWIFT: ICBK BRSP

ICBC PERU BANK  
Address: Calle Las Orquideas 585, Oficina  
501, San Isidro, Lima, Peru  
Email: consultas@pe.icbc.com.cn  
Tel: +51-16316800  
Fax: +51-16316802  
SWIFT: ICBK PEPL

Industrial and Commercial Bank of China  
(Argentina) S.A.U.  
Address: Blvd. Cecilia Grierson 355,  
(C1107 CPG) Buenos Aires, Argentina  
Email: gongwen@ar.icbc.com.cn  
Tel: +54-1148203784  
Fax: +54-1148201901  
SWIFT: ICBKARBA

ICBC Investments Argentina S.A.U.  
Sociedad Gerente de Fondos Comunes de  
Inversión  
Address: Blvd.Cecilia Grierson 355, Piso  
14, (C1107CPG) CABA, Argentina  
Email: alpha.sales@icbc.com.ar  
Tel: +54-1143949432

Inversora Diagonal S.A.U.  
Address: Florida 99, (C1105CPG) CABA,  
Argentina  
Tel: +54-1148202200

Industrial and Commercial Bank of China  
Limited, Panama Branch  
Address: MMG Tower | 20<sup>th</sup> Floor | Ave.  
Paseo del Mar | Costa del Este  
Panama City, Republic of Panama  
Email: panama.branch@pa.icbc.com.cn  
Tel: +507-3205901  
SWIFT: ICBKPAPA

## **Africa**

Industrial and Commercial Bank of China  
African Representative Office  
Address 1: 47 Price Drive, Constantia,  
Cape Town, South Africa, 7806  
Address 2: T11, 2<sup>nd</sup> Floor East, 30 Baker  
Street, Rosebank, Johannesburg, Gauteng,  
South Africa, 2196  
Email: icbcafrica@afr.icbc.com.cn  
Tel: +27-608845323

## 10. Issue of Results Announcement and Annual Report

This Results Announcement will be released on the “HKEXnews” website of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Bank ([www.icbc-ltd.com](http://www.icbc-ltd.com)) simultaneously. The 2025 Annual Report prepared in accordance with IFRSs will be released on the “HKEXnews” website of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Bank ([www.icbc-ltd.com](http://www.icbc-ltd.com)). Specifically, the 2025 Annual Report prepared in accordance with IFRSs will be dispatched to the shareholders of H shares of the Bank. The 2025 Annual Report and its abstract prepared in accordance with PRC GAAP will be released simultaneously on the websites of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) and the Bank ([www.icbc-ltd.com](http://www.icbc-ltd.com)).

This Results Announcement has been prepared in both Chinese and English languages. In case of any discrepancy between the two versions, the Chinese version shall prevail.

By Order of  
The Board of Directors of  
**Industrial and Commercial Bank of China Limited**

27 March 2026

*As at the date of this announcement, the Board of Directors comprises Mr. LIAO Lin, Mr. LIU Jun, Mr. DUAN Hongtao and Mr. WANG Jingwu as executive directors, Ms. CAO Liqun, Mr. DONG Yang and Ms. ZHONG Mantao as non-executive directors, Mr. Norman CHAN Tak Lam, Mr. Herbert WALTER, Mr. Murray HORN, Mr. CHEN Guanting, Mr. LI Weiping and Mr. LEE Kam Hung Lawrence as independent non-executive directors.*

## **Appendix**

### **Auditor's Report and Financial Report**

## **Industrial and Commercial Bank of China Limited**

<b>CONTENTS</b>	<b>PAGE(S)</b>		
INDEPENDENT AUDITOR'S REPORT	1	-	10
CONSOLIDATED STATEMENT OF PROFIT OR LOSS			11
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			12
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	13	-	14
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	15	-	16
CONSOLIDATED STATEMENT OF CASH FLOWS	17	-	18
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	19	-	193
UNAUDITED SUPPLEMENTARY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS	194	-	196

## **Independent auditor’s report**

### **To the shareholders of Industrial and Commercial Bank of China Limited:**

(Incorporated in the People’s Republic of China with limited liability)

#### **Opinion**

We have audited the consolidated financial statements of Industrial and Commercial Bank of China Limited (the “Bank”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 11 to 193, which comprise the consolidated statement of financial position as at 31 December 2025, and 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, including material accounting policy 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 cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”) 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 the International Standards on Auditing (“ISAs”) as issued by the International Auditing and Assurance Standards Board (IAASB). 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 *Code of Ethics for Professional Accountants* (the “Code”) as issued by Hong Kong Institute of Certified Public Accountants (“HKICPA”), 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

**Independent auditor’s report (continued)**

**To the shareholders of Industrial and Commercial Bank of China Limited:**

(Incorporated in the People’s Republic of China with limited liability)

**Key audit matters (continued)**

<b>Key audit matter</b>	<b>How our audit addressed the key audit matter</b>
<b><i>Allowance for impairment losses on loans and advances to customers measured at amortised cost</i></b>	
<p>Significant judgments and assumptions are involved in the measurement of allowance for impairment losses on loans and advances to customers measured at amortised cost, for example:</p> <ul style="list-style-type: none"><li>- Significant increase in credit risk- Criteria for determining whether significant increase in credit risk has occurred are highly judgmental and may have a significant impact on the expected credit losses for loans and advances to customers measured at amortised cost with a longer outstanding maturities;</li><li>- Models and parameters- Complex models, numerous parameters and inputs, including probability of default, loss given default, exposure at default, and risk grouping, are used to measure expected credit losses, involving plenty of management judgments and assumptions;</li><li>- Forward-looking information- Macroeconomic forecasts are developed, and impacts on expected credit losses are considered for multiple probability-weighted macroeconomic scenarios;</li><li>- Whether financial assets are credit-impaired- The determination of credit impairment requires consideration of multiple factors, and measurement of expected credit losses depends on estimates of future cash flows.</li></ul>	<p>We evaluated and tested the design and operating effectiveness of key controls over credit granting, post approval credit management, loan credit rating system, collateral management as well as management, implementation and monitoring of expected credit losses approach, including:</p> <ul style="list-style-type: none"><li>- With the support of our IT audit experts, we evaluated and tested the data and processes used to determine expected credit losses, including loan business data, internal credit rating data, macroeconomic data, as well as the computational logic, inputs and system interfaces of the impairment assessment system;</li><li>- We evaluated and tested related internal controls over the management, implementation and monitoring of expected credit losses approach, including approval of management system, important policies, important models, key parameters and their adjustments, ongoing monitoring of model performance, model validation, monitoring and parameter calibration.</li></ul>

**Independent auditor’s report (continued)**

**To the shareholders of Industrial and Commercial Bank of China Limited:**

(Incorporated in the People’s Republic of China with limited liability)

**Key audit matters (continued)**

Key audit matter	How our audit addressed the key audit matter
<b><i>Allowance for impairment losses on loans and advances to customers measured at amortised cost (continued)</i></b>	
<p>As at 31 December 2025, the Group's balance of loans and advances to customers measured at amortised cost was RMB27,901,331 million, and the related impairment provision was RMB851,750 million. As the measurement of expected credit losses involves many significant judgments and assumptions, we consider expected credit losses for loans and advances to customers measured at amortised cost a key audit matter.</p> <p>Refer to Note 4 (10), Note 5, Note 14, Note 23.1, Note 23.2(a) and Note 50(a) to the consolidated financial statements for relevant disclosures.</p>	<p>We adopted a risk-based sampling approach in our loan review procedures, focusing on loans granted to industries affected by macroeconomic changes and to real estate enterprises with bond defaults and negative news coverage. We assessed the debtors’ repayment capacity and evaluated the Group’s judgment in rating loans, taking into consideration post-lending inspection reports, debtors’ financial information, collateral valuation reports and other available information.</p> <p>With the support of our modelling experts, we evaluated and tested the expected credit loss model methodology, key parameters, and management ’ s significant judgments and assumptions, mainly focusing on the following aspects:</p> <ul style="list-style-type: none"><li>- Taking into account macroeconomic changes, industry risk factors, and results of validation, reassessment and update of ECL model, we assessed the reasonableness of ECL model methodology and related parameters, including probability of default, loss given default, exposure at default, risk grouping, and whether there had been a significant increase in credit risk;</li></ul>

**Independent auditor's report (continued)**

**To the shareholders of Industrial and Commercial Bank of China Limited:**

(Incorporated in the People's Republic of China with limited liability)

**Key audit matters (continued)**

<b>Key audit matter</b>	<b>How our audit addressed the key audit matter</b>
<b><i>Allowance for impairment losses on loans and advances to customers measured at amortised cost (continued)</i></b>	
	<ul style="list-style-type: none"><li>- We assessed the forward-looking information used by management to determine expected credit losses, including the forecasts of macroeconomic variables and the assumptions and weightings of multiple macroeconomic scenarios;</li><li>- We performed back-testing on a sampling basis and assessed the reasonableness of management's determination of credit impairment. For credit-impaired loans and advances, we analysed the amount, timing and probability of management's estimated future cash flows on a sampling basis, especially recoverable cash flows from collaterals.</li></ul> <p>We inspected and assessed the appropriateness of disclosures of expected credit losses in the financial statements.</p>

**Independent auditor’s report (continued)**

**To the shareholders of Industrial and Commercial Bank of China Limited:**

(Incorporated in the People’s Republic of China with limited liability)

**Key audit matters (continued)**

Key audit matter	How our audit addressed the key audit matter
<b><i>Consolidation of structured entities</i></b>	
<p>Structured entities mainly include wealth management products, investment funds, trust plans, asset management plans and asset-backed securities in which the Group has interests in them through their initiation, management or investment. The Group needs to comprehensively consider the power it possesses, its exposure to variable returns, and its ability to use its power to affect returns to determine whether it has control over such structured entities, and therefore whether it should include them in the scope of consolidation.</p> <p>The assessment of the Group’s control over structured entities involves significant judgements on factors such as the purpose and design of structured entities, the Group’s ability to direct relevant activities, direct and indirect beneficial interests and returns, performance fees, and benefits received or losses incurred from providing credit enhancement or liquidity support. Comprehensive analysis of these factors and concluding on whether the Group has control involve significant management judgements. In view of the materiality and the complexity of management judgements, we consider consolidation assessment of structured entities a key audit matter.</p> <p>Refer to Note 4(2), Note 5 and Note 43 to the consolidated financial statements for relevant disclosures.</p>	<p>We evaluated and tested the design and operating effectiveness of key internal controls over the Group’s assessment of whether it consolidates a structured entity.</p> <p>We assessed the reasonableness of the Group’s analysis and judgment of consolidation of structured entities through the following procedures:</p> <ul style="list-style-type: none"><li>- We inspected the relevant contractual documents and checked the Group’s analysis on its power over these structured entities on the basis of comprehensive consideration of all relevant facts and circumstances;</li><li>- We checked the Group’s analysis of the magnitude and variability of the variable returns received from the structured entity and the extent to which variable returns are influenced through the Group’s power and other available information, which included examining whether the Group has legal or constructive obligations to ultimately absorb losses from structured entities, whether the Group has provided liquidity support or credit enhancement to structured entities initiated by itself, such as wealth management products, on a sampling basis.</li></ul> <p>We checked and assessed the appropriateness of the financial statement disclosures in relation to the consolidation of structured entities.</p>

**Independent auditor's report (continued)**

**To the shareholders of Industrial and Commercial Bank of China Limited:**

(Incorporated in the People's Republic of China with limited liability)

**Key audit matters (continued)**

<b>Key audit matter</b>	<b>How our audit addressed the key audit matter</b>
<b><i>Fair value of financial instruments</i></b>	
<p>The valuation of the Group's financial instruments measured at fair value is based on readily available market data or valuation models. For financial instruments without readily available market data such as debt securities, equities, over-the-counter derivative contracts and structured deposits, fair values are measured based on valuation techniques. The selection of valuation techniques and significant unobservable input data requires significant accounting judgement and estimation by management.</p> <p>As at 31 December 2025, the Group's financial assets that were measured at fair value amounted to RMB7,578,309 million, representing 14.17% of total assets; financial liabilities that were measured at fair value amounted to RMB495,529 million, representing 1.01% of total liabilities. Level 3 financial assets and liabilities with significant unobservable input data amounted to RMB267,171 million and RMB1,598 million respectively.</p> <p>Given the materiality of the financial instruments' balance measured at fair value and the significant judgements and assumptions involved in fair value measurement of Level 3 financial instruments, we consider valuation of financial instruments a key audit matter.</p> <p>Refer to Note 4(7), Note 5, Note 21, Note 22, Note 23, Note 24, Note 32, Note 33 and Note 51 to the consolidated financial statements for relevant disclosures.</p>	<p>We evaluated and tested the design and operating effectiveness of key internal controls related to the valuation of financial instruments, including independent price verification, and independent model validation and approval.</p> <p>We evaluated the valuation techniques, inputs and assumptions through comparison with the valuation techniques commonly used in the markets, validation of observable inputs using external market data, and comparison with valuation outcomes obtained from various pricing sources on a sampling basis.</p> <p>For valuations which used significant unobservable inputs, such as unlisted equity investments and private equity fund investments, we involved our internal valuation specialists in assessing the models used, re-performing independent valuations on a sampling basis, and analysing the sensitivities of valuation results to key inputs and assumptions.</p> <p>We checked and assessed the appropriateness of the financial statement disclosures in relation to the fair value of instruments.</p>

**Independent auditor’s report (continued)**

**To the shareholders of Industrial and Commercial Bank of China Limited:**

(Incorporated in the People’s Republic of China with limited liability)

**Key audit matters (continued)**

<b>Key audit matter</b>	<b>How our audit addressed the key audit matter</b>
<b><i>IT systems and control related to financial reporting</i></b>	
<p>As a large commercial banking group, the Group operates highly complex IT systems. The accuracy of the Group’s financial reporting relies on IT systems, along with the effective design and operation of IT general control and IT automated control over these systems. Specifically, IT general control includes IT governance, control over system development and program changes, access control over programs and data, and IT operations; while IT automated control includes edit checks, matching verifications, system-driven calculations, system interfaces, and access authorizations related to significant accounts. Such control primarily applies to the processes of key businesses such as corporate banking, personal banking, asset management services and financial market.</p> <p>With the rapid growth of the Group’s online transaction volume, as well as the continuous advancement and application of new technologies that increases third-party network access, the Group faces escalating challenges in cybersecurity and data protection, which impacts the IT systems that are integral to financial reporting.</p> <p>Given that the Group’s financial accounting and reporting remain heavily reliant on these IT systems and control, we consider IT systems and control related to financial reporting as a key audit matter.</p>	<p>With the support of our IT audit experts, we performed audit procedures in respect of IT systems and control related to financial reporting through the following procedures:</p> <ul style="list-style-type: none"><li>- Evaluated and tested the design and operating effectiveness of key internal control over the IT systems related to financial reporting;</li><li>- Evaluated and tested the design and operating effectiveness of automated control related to significant accounts and assertions or risk of material misstatement;</li><li>- Evaluated and tested the design and operating effectiveness of control related to cybersecurity management, operational security of critical infrastructure, data and customer information management, and system operation monitoring and emergency management;</li><li>- Evaluated and tested the design and operating effectiveness of control related to intrusion prevention management, antivirus and malware management, patch management, data encryption management, data backup management, as well as the monitoring and handling of information security incidents.</li></ul>

**Independent auditor’s report (continued)**

**To the shareholders of Industrial and Commercial Bank of China Limited:**

(Incorporated in the People’s Republic of China with limited liability)

**Other information included in the Annual Report**

The directors of the Bank are responsible for the other information. The other information comprises 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.

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 of the Bank are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB 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 of the Bank 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 of the Bank either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Bank are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group’s financial reporting process.

## **Independent auditor's report (continued)**

### **To the shareholders of Industrial and Commercial Bank of China Limited:**

(Incorporated in the People's Republic of China with limited liability)

#### **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. Our 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 ISAs 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 ISAs, 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.

**Independent auditor’s report (continued)**

**To the shareholders of Industrial and Commercial Bank of China Limited:**

(Incorporated in the People’s Republic of China with limited liability)

**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 consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the 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 to 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 *Cheong Ming Yik, Hoffman* (practising certificate number: P04626).

*Ernst & Young*  
Certified Public Accountants  
Hong Kong  
27 March 2026

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**  
(In RMB millions, unless otherwise stated)

	Notes	2025	2024
Interest income		1,331,831	1,427,948
Interest expense		(696,705)	(790,543)
<b>NET INTEREST INCOME</b>	6	<u>635,126</u>	<u>637,405</u>
Fee and commission income		126,722	126,177
Fee and commission expense		(15,551)	(16,780)
<b>NET FEE AND COMMISSION INCOME</b>	7	<u>111,171</u>	<u>109,397</u>
Net trading income	8	18,510	19,440
Net gains on financial investments	9	34,806	22,961
Other operating income/(expense), net	10	<u>1,782</u>	<u>(3,077)</u>
<b>OPERATING INCOME</b>		801,395	786,126
Operating expenses	11	(246,874)	(242,155)
Credit impairment losses	14	(132,973)	(125,739)
Impairment losses on other assets		(1,887)	(924)
<b>OPERATING PROFIT</b>		419,661	417,308
Share of results of associates and joint ventures		<u>4,774</u>	<u>4,519</u>
<b>PROFIT BEFORE TAXATION</b>		424,435	421,827
Income tax expense	15	(53,669)	(54,881)
<b>PROFIT FOR THE YEAR</b>		<u><u>370,766</u></u>	<u><u>366,946</u></u>
Profit for the year attributable to:			
Equity holders of the parent company		368,562	365,863
Non-controlling interests		<u>2,204</u>	<u>1,083</u>
<b>PROFIT FOR THE YEAR</b>		<u><u>370,766</u></u>	<u><u>366,946</u></u>
<b>EARNINGS PER SHARE</b>	18		
- Basic (RMB yuan)		1.00	0.98
- Diluted (RMB yuan)		1.00	0.98

*The accompanying notes form part of these consolidated financial statements.*

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**  
(In RMB millions, unless otherwise stated)

	Notes	2025	2024
Profit for the year		<u>370,766</u>	<u>366,946</u>
Other comprehensive income (after tax, net):	41		
(a) Items that will not be reclassified to profit or loss:			
(i) Changes in fair value of equity instruments designated as at fair value through other comprehensive income		1,432	3,769
(ii) Other comprehensive income recognised under the equity method		0	43
(iii) Others		<u>16</u>	<u>24</u>
(b) Items that may be reclassified subsequently to profit or loss:			
(i) Changes in fair value of debt instruments measured at fair value through other comprehensive income		(27,818)	54,514
(ii) Credit losses of debt instruments measured at fair value through other comprehensive income		(142)	(269)
(iii) Cash flow hedging reserve		775	(1,332)
(iv) Other comprehensive income recognised under the equity method		(346)	(58)
(v) Foreign currency translation reserve		(8,615)	9,744
(vi) Others		<u>4,310</u>	<u>(15,246)</u>
Subtotal of other comprehensive income for the year		<u>(30,388)</u>	<u>51,189</u>
Total comprehensive income for the year		<u>340,378</u>	<u>418,135</u>
Total comprehensive income for the year attributable to:			
Equity holders of the parent company		339,186	418,252
Non-controlling interests		<u>1,192</u>	<u>(117)</u>
		<u>340,378</u>	<u>418,135</u>

*The accompanying notes form part of these consolidated financial statements.*

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2025**  
(In RMB millions, unless otherwise stated)

	Notes	31 December 2025	31 December 2024
<b>ASSETS</b>			
Cash and balances with central banks	19	3,674,558	3,322,911
Due from banks and other financial institutions	20	1,264,019	1,219,876
Derivative financial assets	21	130,414	222,361
Reverse repurchase agreements	22	530,737	1,210,217
Loans and advances to customers	23	29,712,359	27,613,781
Financial investments	24	16,907,415	14,153,576
Financial investments measured at fair value through profit or loss		943,953	1,010,439
Financial investments measured at fair value through other comprehensive income		3,823,279	3,291,152
Financial investments measured at amortised cost		12,140,183	9,851,985
Investments in associates and joint ventures	26	78,313	73,357
Property and equipment	27	293,836	302,387
Deferred tax assets	28	104,289	90,047
Other assets	29	781,833	613,233
<b>TOTAL ASSETS</b>		<b>53,477,773</b>	<b>48,821,746</b>

*The accompanying notes form part of these consolidated financial statements.*

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 DECEMBER 2025**  
(In RMB millions, unless otherwise stated)

	Notes	31 December 2025	31 December 2024
<b>LIABILITIES</b>			
Due to central banks		176,793	169,622
Due to banks and other financial institutions	31	5,103,247	4,590,965
Financial liabilities measured at fair value through profit or loss	32	150,196	76,056
Derivative financial liabilities	21	134,082	197,795
Repurchase agreements	33	2,536,376	1,523,555
Certificates of deposit	34	502,593	445,419
Due to customers	35	37,311,778	34,836,973
Income tax payable		23,374	31,880
Debt securities issued	36	2,216,807	2,028,722
Deferred tax liabilities	28	6,551	4,278
Other liabilities	37	1,043,952	929,215
<b>TOTAL LIABILITIES</b>		<u>49,205,749</u>	<u>44,834,480</u>
<b>EQUITY</b>			
Equity attributable to equity holders of the parent company			
Share capital	38	356,407	356,407
Other equity instruments	39	384,657	324,344
Preference shares		114,927	134,614
Perpetual bonds		269,730	189,730
Reserves	40	1,323,043	1,275,004
Retained profits		2,180,152	2,014,086
		<u>4,244,259</u>	<u>3,969,841</u>
Non-controlling interests		<u>27,765</u>	<u>17,425</u>
<b>TOTAL EQUITY</b>		<u>4,272,024</u>	<u>3,987,266</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>53,477,773</u></u>	<u><u>48,821,746</u></u>

Liao Lin  
Chairman

Liu Jun  
Vice Chairman and President

Xu Zhisheng  
Person in charge of Finance  
and Accounting Department

*The accompanying notes form part of these consolidated financial statements.*

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**  
**(In RMB millions, unless otherwise stated)**

	Attributable to equity holders of the parent company													Non-controlling interests	Total equity
	Reserves											Retained profits	Total		
	Share capital	Other equity instruments	Capital reserve	Surplus reserve	General reserve	Investment revaluation reserve	Foreign currency translation reserve	Cash flow hedging reserve	Other reserves	Subtotal					
Balance as at 1 January 2025	356,407	324,344	148,234	464,365	614,816	76,965	(6,092)	(4,181)	(19,103)	1,275,004	2,014,086	3,969,841	17,425	3,987,266	
Profit for the year	-	-	-	-	-	-	-	-	-	-	368,562	368,562	2,204	370,766	
Other comprehensive income	-	-	-	-	-	(24,500)	(8,203)	739	2,588	(29,376)	-	(29,376)	(1,012)	(30,388)	
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(24,500)</b>	<b>(8,203)</b>	<b>739</b>	<b>2,588</b>	<b>(29,376)</b>	<b>368,562</b>	<b>339,186</b>	<b>1,192</b>	<b>340,378</b>	
Dividends - ordinary shares(i) (Note 17)	-	-	-	-	-	-	-	-	-	-	(109,060)	(109,060)	-	(109,060)	
Distributions to other equity instrument holders (Note 17)	-	-	-	-	-	-	-	-	-	-	(11,764)	(11,764)	(54)	(11,818)	
Appropriation to surplus reserve (ii)	-	-	-	36,812	-	-	-	-	-	36,812	(36,812)	-	-	-	
Appropriation to general reserve (iii)	-	-	-	-	46,080	-	-	-	-	46,080	(46,080)	-	-	-	
Capital injection by other equity instrument holders	-	80,000	(2)	-	-	-	-	-	-	(2)	-	79,998	7,000	86,998	
Capital reduction by other equity instrument holders	-	(19,687)	(1,136)	-	-	-	-	-	-	(1,136)	-	(20,823)	-	(20,823)	
Dividends to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	-	(1,017)	(1,017)	
Other comprehensive income transferred to retained earnings	-	-	-	-	-	(1,220)	-	-	-	(1,220)	1,220	-	-	-	
Others	-	-	(3,119)	-	-	-	-	-	-	(3,119)	-	(3,119)	3,219	100	
<b>Balance as at 31 December 2025</b>	<b>356,407</b>	<b>384,657</b>	<b>143,977</b>	<b>501,177</b>	<b>660,896</b>	<b>51,245</b>	<b>(14,295)</b>	<b>(3,442)</b>	<b>(16,515)</b>	<b>1,323,043</b>	<b>2,180,152</b>	<b>4,244,259</b>	<b>27,765</b>	<b>4,272,024</b>	

- (i) Are interim dividends on ordinary shares of RMB50,396 million for 2025 and year-end dividends on ordinary shares of RMB58,664 million for 2024.
- (ii) Includes the appropriation to surplus reserve made by overseas branches and subsidiaries in the amounts of RMB144 million and RMB1,293 million, respectively.
- (iii) Includes the appropriation to general reserve made by subsidiaries in the amounts of RMB1,494 million.

*The accompanying notes form part of these consolidated financial statements.*

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**  
**(In RMB millions, unless otherwise stated)**

	Attributable to equity holders of the parent company													Non-controlling interests	Total equity
	Reserves											Retained profits	Total		
	Share capital	Other equity instruments	Capital reserve	Surplus reserve	General reserve	Investment revaluation reserve	Foreign currency translation reserve	Cash flow hedging reserve	Other reserves	Subtotal					
Balance as at 1 January 2024	356,407	354,331	148,270	428,359	561,637	24,047	(15,608)	(2,901)	(9,722)	1,134,082	1,912,067	3,756,887	19,701	3,776,588	
Profit for the year	-	-	-	-	-	-	-	-	-	-	365,863	365,863	1,083	366,946	
Other comprehensive income	-	-	-	-	-	53,534	9,516	(1,280)	(9,381)	52,389	-	52,389	(1,200)	51,189	
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>53,534</b>	<b>9,516</b>	<b>(1,280)</b>	<b>(9,381)</b>	<b>52,389</b>	<b>365,863</b>	<b>418,252</b>	<b>(117)</b>	<b>418,135</b>	
Dividends - ordinary shares(i) (Note 17)	-	-	-	-	-	-	-	-	-	-	(160,312)	(160,312)	-	(160,312)	
Distributions to other equity instrument holders (Note 17)	-	-	-	-	-	-	-	-	-	-	(14,963)	(14,963)	-	(14,963)	
Appropriation to surplus reserve (ii)	-	-	-	36,006	-	-	-	-	-	36,006	(36,006)	-	-	-	
Appropriation to general reserve (iii)	-	-	-	-	53,179	-	-	-	-	53,179	(53,179)	-	-	-	
Capital injection by other equity instrument holders	-	50,000	(2)	-	-	-	-	-	-	(2)	-	49,998	872	50,870	
Capital reduction by other equity instrument holders	-	(79,987)	(13)	-	-	-	-	-	-	(13)	-	(80,000)	-	(80,000)	
Dividends to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	-	(116)	(116)	
Other comprehensive income transferred to retained earnings	-	-	-	-	-	(616)	-	-	-	(616)	616	-	-	-	
Others	-	-	(21)	-	-	-	-	-	-	(21)	-	(21)	(2,915)	(2,936)	
<b>Balance as at 31 December 2024</b>	<b>356,407</b>	<b>324,344</b>	<b>148,234</b>	<b>464,365</b>	<b>614,816</b>	<b>76,965</b>	<b>(6,092)</b>	<b>(4,181)</b>	<b>(19,103)</b>	<b>1,275,004</b>	<b>2,014,086</b>	<b>3,969,841</b>	<b>17,425</b>	<b>3,987,266</b>	

- (i) Are interim dividends on ordinary shares of RMB51,109 million for 2024 and annual dividends on ordinary shares of RMB109,203 million for 2023.
- (ii) Includes the appropriation to surplus reserve made by overseas branches and subsidiaries in the amounts of RMB98 million and RMB1,237 million, respectively.
- (iii) Includes the appropriation to general reserve made by subsidiaries in the amounts of RMB928 million.

*The accompanying notes form part of these consolidated financial statements.*

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**  
(In RMB millions, unless otherwise stated)

	Notes	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		424,435	421,827
Adjustments for:			
Share of results of associates and joint ventures		(4,774)	(4,519)
Depreciation		29,017	29,553
Amortisation	11	5,468	5,157
Credit impairment losses	14	132,973	125,739
Impairment losses on other assets		1,887	924
Unrealised gains on foreign exchange		(15,314)	(4,990)
Interest expense on debt securities issued		59,133	50,929
Accreted interest on impaired loans		(1,748)	(1,994)
Net gains on financial investments		(39,423)	(24,190)
Interest income on financial investments		(387,636)	(365,208)
Net gains on changes in fair value		(511)	(12,220)
Net gains on disposal and stocktake of property and equipment and other assets (other than repossessed assets)		(832)	(1,308)
Dividend income	9	(3,480)	(3,067)
		<u>199,195</u>	<u>216,633</u>
Net (increase)/decrease in operating assets:			
Due from central banks		(64,324)	165,650
Due from banks and other financial institutions		(186,312)	356,999
Financial assets measured at fair value through profit or loss		67,841	(190,081)
Reverse repurchase agreements		14,987	(21,896)
Loans and advances to customers		(2,312,194)	(2,277,977)
Other assets		(128,675)	(68,180)
		<u>(2,608,677)</u>	<u>(2,035,485)</u>
Net increase/(decrease) in operating liabilities:			
Financial liabilities measured at fair value through profit or loss		72,367	12,214
Due to central banks		7,156	(61,745)
Due to banks and other financial institutions		552,467	1,065,314
Repurchase agreements		1,024,451	486,521
Certificates of deposit		73,012	51,074
Due to customers		2,607,714	821,679
Other liabilities		29,053	108,292
		<u>4,366,220</u>	<u>2,483,349</u>
Net cash flows from operating activities before taxation		1,956,738	664,497
Income tax paid		(66,208)	(85,303)
<b>Net cash flows from operating activities</b>		<u>1,890,530</u>	<u>579,194</u>

*The accompanying notes form part of these consolidated financial statements.*

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**  
**(In RMB millions, unless otherwise stated)**

	Notes	2025	2024
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of property and equipment and other assets		(48,979)	(43,297)
Proceeds from disposal of property and equipment and other assets (other than repossessed assets)		21,135	19,193
Purchases of financial investments		(8,028,463)	(6,499,586)
Proceeds from sale and redemption of financial investments		5,218,243	4,567,823
Investments in associates and joint ventures		(4,472)	(7,700)
Proceeds from disposal of associates and joint ventures		2,685	5,951
Investment returns received		422,148	387,378
Cash receipts from other investing activities		121	98,770
<b>Net cash flows from investing activities</b>		<u>(2,417,582)</u>	<u>(1,471,468)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issuance of other equity instruments		87,000	50,872
Proceeds from issuance of debt securities		2,508,380	2,092,588
Interest paid on debt securities		(58,416)	(52,973)
Repayments of debt securities		(2,329,359)	(1,463,682)
Cash payments to redeem other equity instruments		(20,822)	(80,000)
Dividends paid on ordinary shares		(132,173)	(109,203)
Dividends or interest paid to other equity instrument holders		(11,818)	(14,963)
Dividends paid to non-controlling shareholders		(333)	(116)
Cash payments for other financing activities		(7,454)	(6,840)
<b>Net cash flows from financing activities</b>		<u>35,005</u>	<u>415,683</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>			
		(492,047)	(476,591)
Cash and cash equivalents at beginning of the year		2,290,404	2,755,732
Effect of exchange rate changes on cash and cash equivalents		(29,347)	11,263
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	42	<u>1,769,010</u>	<u>2,290,404</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES INCLUDE:</b>			
Interest received		997,409	1,121,140
Interest paid		(710,669)	(679,124)

*The accompanying notes form part of these consolidated financial statements.*

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**(In RMB millions, unless otherwise stated)**

**1. CORPORATE INFORMATION**

Industrial and Commercial Bank of China Limited (the “Bank”), which was previously known as Industrial and Commercial Bank of China (“ICBC”), used to be a wholly-state-owned commercial bank established on 1 January 1984 based on the authorisation of the State Council and the People’s Bank of China (the “PBC”) of the People’s Republic of China (the “PRC”). On 28 October 2005, with the approval of the State Council, ICBC was restructured and incorporated as a joint-stock limited company. The joint-stock limited company undertook all the assets and liabilities of ICBC upon the restructuring. On 27 October 2006, the Bank was listed on both Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited.

The Bank obtained authorisation to carry out banking business with an institution code of No. B0001H111000001 from China Banking Regulatory Commission (In 2023, the regulator was renamed the National Financial Regulatory Administration, hereinafter referred to as the “NFRA”) of the PRC. The Bank obtained its business license with unified social credit code 91100000100003962T by the State Administration for Industry and Commerce. The legal representative is Liao Lin and the registered office is located at No. 55 Fuxingmennei Avenue, Xicheng District, Beijing, the PRC.

The Bank’s stock codes of A Shares and H Shares listed on Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited are 601398 and 1398, respectively. The Bank’s domestic preference shares are listed on Shanghai Stock Exchange and the stock codes are 360011 and 360036.

The principal activities of the Bank and its subsidiaries (collectively referred to as the “Group”) comprise corporate financial services, personal financial services, treasury operations, investment banking, asset management, trust, financial leasing, insurance and other financial services. Domestic establishments refer to the Head Office of the Bank, branches and subsidiaries established in Chinese mainland. Overseas establishments refer to branches and subsidiaries established in jurisdictions outside Chinese mainland.

**2. BASIS OF PREPARATION**

**(1) Statement of compliance**

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the “IASB”), and the disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**2. BASIS OF PREPARATION (CONTINUED)**

**(2) Basis of preparation of the financial statements**

The consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments, and certain non-financial assets measured at fair value, as further explained in the respective accounting policies below.

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are disclosed in Note 5.

**3. NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS**

**(1) Application of amendments to IFRS Accounting Standards that are mandatorily effective for the current year**

In the current year, the Group has applied, for the first time, the following amendments to IFRS Accounting Standards issued by the IASB which are mandatorily effective for the annual periods beginning on or after 1 January 2025 for the preparation of the Group's consolidated financial statements:

— Amendments to IAS 21 : *Lack of Exchangeability*

The adoption of the above amendments did not have a material impact on the financial position and financial performance of the Group.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**3. NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS (CONTINUED)**

**(2) New and amendments to IFRS Accounting Standards in issue but not yet effective**

The Group has not applied the following new and amendments to IFRS that have been issued but are not yet effective:

- IFRS 18: *Presentation and Disclosure in Financial Statements*<sup>2</sup>
- IFRS 19 and its amendments: *Subsidiaries without Public Accountability: Disclosures*<sup>2</sup>
- Amendments to IFRS 9 and IFRS 7: *Classification and Measurement of Financial Instruments*<sup>1</sup>
- Amendments to IFRS 9 and IFRS 7: *Contracts Referencing Nature-dependent Electricity*<sup>1</sup>
- Amendments to IFRS 10 and IAS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*<sup>3</sup>
- Amendments to IAS 21: *Translation to a Hyperinflationary Presentation Currency*<sup>2</sup>

1. Effective for annual periods beginning on or after 1 January 2026.

2. Effective for annual periods beginning on or after 1 January 2027.

3. No mandatory effective date yet determined.

*IFRS 18 Presentation and Disclosure in Financial Statements*

The IASB issued IFRS 18 Presentation and Disclosure in Financial Statements, replacing IAS 1 Presentation of Financial Statements. Compared with the current IAS 1, the new requirements in IFRS 18 mainly include: introducing three new categories for income, expenses - operating, investing and financing to improve the structure of the income statement, entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals of operating profit, profit before financing and income tax; requiring the disclosures of management - defined performance measures to improve the transparency of performance indicators defined by management, and separately disclose the reconciliation process between each management performance indicator and the most directly comparable total or subtotal items specified in IFRS Accounting Standards in the notes, the calculation method of each management performance indicator and the description of its changes, the income tax impact of reconciliation items and the impact on non-controlling interests; strengthening information aggregation and disaggregation to further improve the usefulness of information in financial statements in decision-making.

IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required.

The adoption of IFRS18 is expected to have no material impact on the financial position and financial performance of the Group.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**3. NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS (CONTINUED)**

**(2) New and amendments to IFRS Accounting Standards in issue but not yet effective  
(continued)**

*Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments*

The amendments clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date.

The adoption of the amendments are expected to have no material impact on the financial position and financial performance of the Group.

*Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively.

The adoption of the amendments are expected to have no material impact on the financial position and financial performance of the Group.

The other new and amendments to IFRS Accounting Standards that have been issued but not yet effective are expected to have no material impact on the financial position and financial performance of the Group in the foreseeable future.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION**

**(1) Functional currency and foreign currency translation**

*Functional currency*

The functional currency of the Group's domestic establishments is Renminbi ("RMB"). The overseas establishments determine their own functional currencies which best represent the economic environment they operate in. These financial statements are presented in RMB millions except when otherwise indicated.

*Foreign currency translation*

Foreign currency transactions are initially recorded in the functional currency using the exchange rates at the dates of the transactions or deemed exchange rates. Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the applicable exchange rates ruling at the end of the reporting period. Exchange differences arising on the settlement of monetary items or on translating monetary items at period end rates are recognised in profit or loss, with the exception that they are taken directly to other comprehensive income when the monetary items are designated as part of the hedge of the Bank's net investment in a foreign entity, and the aggregate exchange differences are not recognised in profit or loss until the disposal of such net investment.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates as at the date when the fair value is determined. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as foreign assets and liabilities of the foreign operation and translated at the deemed rates at the end of the reporting period. The exchange differences are recognised in profit or loss or in other comprehensive income, depending on the nature of non-monetary items.

As at the end of the reporting period, the assets and liabilities of foreign operations are translated into the presentation currency of the Bank at the exchange rates ruling at the end of the reporting period. For overseas business not operating in a hyperinflationary economy, all items within equity except for retained profits are translated at the exchange rates ruling at the dates of the transactions. Income and expenses in the statement of profit or loss are translated using the exchange rates at the date of the transactions or deemed exchange rates. The exchange differences arising on the above translation are taken to other comprehensive income. On disposal of a foreign operation, the deferred cumulative amount recognised in other comprehensive income relating to that particular foreign operation is recognised in profit or loss. The effect of exchange rate changes on cash and cash equivalents is presented separately in the statement of cash flows.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**(2) Subsidiaries**

Subsidiaries are entities (including structured entities) controlled by the Group. The Group controls an entity if 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. The Group reassesses whether it has control if there are changes to one or more of the elements of control. This includes circumstances in which protective rights held (e.g., those resulting from a lending relationship) become substantive and lead to the Group having power over an entity.

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, and the relevant activities are directed by means of contractual or other arrangements.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and any unrealised profit or loss arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements.

In the Bank's statement of financial position, investments in subsidiaries are stated at cost less impairment losses.

**(3) Non-controlling interests**

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to a parent.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity holders of the Bank. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity holders of the Bank.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated statement of equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**(4) Associates and joint ventures**

An associate is an entity in 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. Other than those measured at fair value through profit or loss, the Group's investments in associates or joint ventures are accounted for using the equity method.

Under the equity method, an investment in an associate or joint venture is carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share of the net assets of the associate or joint venture, less any impairment losses. The consolidated statement of profit or loss reflects the share of the results of operations of the associate or joint venture. Unrealised profits and losses resulting from transactions between the Group and the associates or joint ventures are eliminated to the extent of the Group's interests in the associates or joint ventures. Unrealised losses are also eliminated unless evidence of impairment on the transferred assets is provided for the transaction.

If an investment in an associate becomes an investment in a joint venture, the retained interest is not re-measured. Instead, the investment continues to be accounted under the equity method, and vice versa.

In the Bank's statement of financial position, investments in associates and joint ventures are stated at cost less impairment losses.

**(5) Business combination and goodwill**

Business combinations are accounted for by applying the acquisition method. The Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether the acquired set of assets is not a business. If the concentration test is met, the set of assets is determined not to be a business; otherwise, the Group shall then perform an assessment in accordance with the requirements of business. The consideration transferred is measured at acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Any costs directly attributable to the combination are recognised in profit or loss when incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives from host contracts of the acquiree.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is re-measured to the acquisition date fair value through profit or loss.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**(5) Business combination and goodwill (continued)**

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is classified as a financial asset or financial liability, is recognised in profit or loss. If the contingent consideration is classified as equity, it shall not be re-measured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and the fair value of the acquirer's previously-held equity interest in the acquiree over the net of the acquisition-date amounts of the identifiable assets and liabilities acquired. If the sum of this consideration and other items is lower than the fair value of the net assets of the subsidiary acquired, the difference is, after reassessment, recognised in profit or loss as gains on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill at year end date. For the purpose of impairment testing, goodwill arising in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units ("CGU"), or group of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the CGU or group of CGUs to which the goodwill relates. Where the recoverable amount of the CGU or group of CGUs is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in subsequent period.

Where goodwill forms part of a CGU or group of CGUs and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the CGU or group of CGUs retained.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**(6) Related parties**

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Group are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
- (viii) the entity, or any member of a Group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

**(7) Classification and measurement of financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Initial recognition and measurement of financial instruments

At initial recognition, financial assets and financial liabilities are measured at fair value. For financial assets and financial liabilities measured at fair value through profit or loss ("FVTPL"), any related directly attributable transaction costs are charged to profit or loss; for other categories of financial assets and financial liabilities, any related directly attributable transaction costs are included in their initial recognised value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**(7) Classification and measurement of financial instruments (continued)**

(i) Initial recognition and measurement of financial instruments (continued)

When measuring fair value, the Group shall take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date (including the condition of the asset; and restrictions, if any, on the sale or use of the asset), and use valuation techniques that are appropriate in the circumstances and for which sufficient data and other information are available to measure fair value. The adopted valuation techniques mainly include market approach, income approach and cost approach.

(ii) Classification and subsequent measurement of financial assets

Classification of financial assets

The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. On initial recognition, a financial asset is classified as measured at amortised cost, at fair value through other comprehensive income (“FVTOCI”), or at FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**(7) Classification and measurement of financial instruments (continued)**

(ii) Classification and subsequent measurement of financial assets (continued)

Classification of financial assets (continued)

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis, and the relevant investment should meet the definition of equity instrument from the perspective of the issuer.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The business model refers to how the Group manages its financial assets in order to generate cash flows. That is, the Group's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets, or both. The Group determines the business model for managing the financial assets according to the facts and based on the specific business objective for managing the financial assets determined by the Group's key management personnel.

In assessing whether the contractual cash flows are solely payments of principal and interest on the principal amount outstanding, the Group considers the contractual terms of the instrument. For the purposes of this assessment, principal is defined as the fair value of the financial asset on initial recognition. Interest is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The Group also assesses whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet the above contractual cash flows characteristics.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**(7) Classification and measurement of financial instruments (continued)**

(ii) Classification and subsequent measurement of financial assets (continued)

Subsequent measurement of financial assets

*Financial assets measured at FVTPL*

These financial assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss unless the financial assets are part of a hedging relationship.

*Financial assets measured at amortised cost*

These assets are subsequently measured at amortised cost using the effective interest method. A gain or loss on a financial asset that is measured at amortised cost and is not part of a hedging relationship shall be recognised in profit or loss when the financial asset is derecognised, amortised or impaired.

*Debt instruments measured at FVTOCI*

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, impairment and foreign exchange gains and losses are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

*Equity instruments measured at FVTOCI*

These assets are subsequently measured at fair value. Dividend income is recognised in profit or loss for the period. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to retained earnings.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**(7) Classification and measurement of financial instruments (continued)**

(iii) Classification and subsequent measurement of financial liabilities

Financial liabilities are classified as measured at FVTPL and other financial liabilities.

*Financial liabilities measured at FVTPL*

A financial liability is classified as measured at FVTPL if it is classified as held-for-trading (including derivative financial liability) or it is designated as such on initial recognition.

A financial liability may be designated as at FVTPL upon initial recognition if:

- (1) such designation eliminates or significantly reduces accounting mismatch;
- (2) the Group makes management and performance evaluation on a fair value basis for a portfolio of financial liabilities or a portfolio of financial assets and financial liabilities, in accordance with the Group's formally documented risk management or investment strategy, and reports to key management personnel on that basis;
- (3) the qualified hybrid contract that contains embedded derivatives.

Financial liabilities measured at FVTPL are subsequently measured at fair value and net gains and losses (including any interest expense) are recognised in profit or loss, unless the financial liabilities are part of a hedging relationship.

For the financial liabilities measured at FVTPL, the gains and losses from changes in fair value of the financial liability arising from changes in the Group's own credit risk are included in other comprehensive income; other changes in fair value of the financial liabilities are recognised in profit or loss for the period. If the treatment of the impact of changes in the financial liabilities' own credit risk will create or enlarge the accounting mismatch in profit or loss, the Group shall recognise the entire gains or losses of the financial liabilities (including the amount of the impact of changes in its own credit risk) in profit and loss. When these liabilities are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified from reserve to retained earnings.

*Other financial liabilities*

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**(7) Classification and measurement of financial instruments (continued)**

(iv) Financial instruments reclassification

The Group will reclassify all related financial assets when it changes its business model for managing financial assets, and the reclassification applies prospectively from the reclassification date (the first day of the first reporting period following the change in business model).

**(8) Trade date accounting**

All regular way purchases and sales of financial assets are recognised at the trade date, which is the date that the Group commits to purchase or sell the assets. A regular way purchase or sale is the purchase or sale of financial assets that requires delivery of assets within the time frame generally established by regulation or convention in the marketplace.

**(9) Presentation of financial instruments**

Financial assets and financial liabilities are generally presented separately in the statement of financial position and shall not be offset. However, a financial asset and a financial liability are offset and the net amount is presented in the statement of financial position when both of the following conditions are satisfied:

- the Group currently has a legally enforceable right to set off the recognised amounts; and
- the Group intends either to settle on a net basis, or to realise the financial asset and settle the financial liability simultaneously.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION**  
**(CONTINUED)**

**(10) Impairment of financial assets**

The Group recognises loss allowances for expected credit loss (“ECL”) on:

- financial assets measured at amortised cost;
- debt instruments measured at FVTOCI; and
- loan commitments and financial guarantee contracts.

Financial assets measured at fair value, including debt or equity instruments measured at FVTPL, equity instruments designated as at FVTOCI and derivative financial assets, are not subject to ECL assessment.

Measurement of ECL

ECL is a probability-weighted amount of credit losses on financial instruments that is determined with the respective risks of default occurring as the weight. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between all cash flows discounted at effective interest rates and receivable in accordance with the contract and all cash flows that the Group expects to receive).

The Group’s method of measuring ECL of financial instruments reflects the following elements: (i) unbiased weighted average probability determined by the results of evaluating a range of possible outcomes; (ii) time value of money; and (iii) reasonable and evidence-based information about past events, current conditions, and future economic forecasts that are available at no additional cost or effort at the end of the reporting period.

The maximum period considered when estimating ECL is the maximum contractual period (including extension options) over which the Group is exposed to credit risk.

Lifetime ECL is the ECL that result from all possible default events over the expected life of a financial instrument.

12-month ECL is the portion of ECL that result from default events that are possible within the 12 months after the end of the reporting period (or a shorter period if the expected life of the instrument is less than 12 months).

The Group classifies financial instruments into the following three stages and provides provisions for ECL accordingly, depending on whether credit risk on that financial instrument has increased significantly since initial recognition.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION**  
**(CONTINUED)**

**(10) Impairment of financial assets (continued)**

Measurement of ECL (continued)

Stage 1: A financial instrument of which the credit risk has not significantly increased since initial recognition. The amount that equals to 12-month ECL is recognised as loss allowance.

Stage 2: A financial instrument with a significant increase in credit risk since initial recognition but is not considered to be credit-impaired. The amount that equals to lifetime ECL is recognised as loss allowance. Refer to Note 50(a) credit risk for the description of how the Group determines when a significant increase in credit risk has occurred.

Stage 3: A financial instrument is considered to be credit-impaired as at the end of the reporting period. The amount that equals to lifetime ECL is recognised as loss allowance. Refer to Note 50(a) credit risk for the definition of credit-impaired financial assets.

Presentation of allowance for ECL

ECL is re-measured at the end of each reporting period to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises impairment gains or losses for financial instruments measured at amortised cost with a corresponding adjustment to their carrying amount through allowance for impairment loss. For debt instruments that are measured at FVTOCI, the loss allowance is recognised in other comprehensive income, which does not decrease the carrying amount of the financial assets. The Group recognises loss allowance for loan commitments and financial guarantee contracts through other liabilities (provisions for credit commitments).

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. A write-off constitutes a derecognition event. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due. Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**(11) Modification of financial assets contracts**

In some cases (such as rescheduled loans), the Group may renegotiate or otherwise modify the financial assets contracts. The Group would assess whether or not the new contractual terms are substantially different to the original terms. If the terms are substantially different, the Group derecognises the original financial asset and recognises a new asset under the revised terms. If the renegotiation or modification does not result in derecognition, but leads to changes in contractual cash flows, when assessing whether a significant increase in credit risk has occurred, the Group compares the risk of a default occurring under the revised terms as at the end of the reporting period with that as at the date of initial recognition under original terms.

**(12) Derecognition of financial assets and liabilities**

Derecognition of financial assets

Financial asset is derecognised when one of the following conditions is met:

- the Group's contractual rights to the cash flows from the financial asset expire;
- the financial asset has been transferred and the Group transfers substantially all of the risks and rewards of ownership of the financial asset; or
- the financial asset has been transferred, although the Group neither transfers nor retains substantially all of the risks and rewards of ownership of the financial asset, it does not retain control over the transferred asset.

Where the Group has transferred its rights to receive cash flows from an asset or has retained its rights to receive cash flows from the asset but assumed the obligation to pay those cash flows to the eventual recipients and meanwhile meet the conditions of the transfer of financial assets, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION**  
**(CONTINUED)**

**(12) Derecognition of financial assets and liabilities (continued)**

Derecognition of financial assets (continued)

*Securitisation*

As part of its operational activities, the Group securitises credit assets. When a securitisation of financial assets does not qualify for derecognition, the relevant financial assets are not derecognised, and the consideration paid by third parties are recorded as a financial liability; When a financial asset is transferred, and if the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, but retains control, the Group continues to recognise the financial asset to the extent of its continuing involvement in the financial asset. Gains or losses on securitisation are the difference between the carrying amount of the derecognised financial assets and the consideration received which is recognised in profit or loss.

*Sales of assets on condition of repurchase*

The derecognition 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 derecognise 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, the Group will derecognise the financial asset.

Derecognition of financial liabilities

The Group derecognises a financial liability (or part of it) only when its contractual obligation (or part of it) is extinguished.

**(13) Derivatives and hedge accounting**

Derivatives

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**(13) Derivatives and hedge accounting (continued)**

Derivatives (continued)

If the host contract included in the hybrid contract is a financial asset, the embedded derivative is no longer split from the main contract of the financial asset, and the hybrid financial instrument as a whole is related to the classification of the financial asset provision. If the host contract included in the hybrid contract is not a financial asset, when the embedded derivative's economic characteristics and risks are not closely related to those of the host contract, those separate instruments with the same terms as the embedded derivative would meet the definition of a derivative, and the hybrid instrument is not carried at FVTPL, derivatives embedded in other financial instruments should be split from the hybrid contract and treated as separate derivatives. These embedded derivatives are measured at fair value with the changes in fair value recognised in profit or loss.

Any changes in fair value on derivative financial instruments that are not designated as hedging instruments and do not meet the requirements for hedging instruments, including those intended to hedge specific interest rate and exchange rate risks but do not qualify for hedging accounting, are taken directly to profit or loss.

For less complex derivative products, the fair values are principally determined by valuation models which are commonly used by market participants. Inputs to valuation models are determined from observable market data wherever possible, including foreign exchange spot and forward rates and interest rate yield curves. For more complex derivative products, the fair values are mainly determined by quoted prices from dealers.

Hedge accounting

At the inception of a hedging relationship, the Group formally designates the hedging instruments and the hedged items, and documents the hedging relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to meet the hedge effectiveness in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to analyse the sources of hedge ineffectiveness which are expected to affect the hedging relationship in remaining hedging period. If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio, but the risk management objective for that designated hedging relationship remains the same, the Group would rebalance the hedging relationship.

Certain derivative transactions, while providing effective economic hedges under the Group's risk management positions, do not qualify for hedge accounting and are therefore treated as derivatives held for trading with fair value gains or losses recognised in profit or loss.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION**  
**(CONTINUED)**

**(13) Derivatives and hedge accounting (continued)**

Fair value hedges

Fair value hedges are hedges of the Group's exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or unrecognised firm commitment, that is attributable to a particular risk and could affect the profit or loss or other comprehensive income. Among them, the circumstances affecting other comprehensive income are limited to the hedging for the risk exposure from fair value change of non-trading equity investment designated as at FVTOCI. For fair value hedges, the carrying amount of the hedged item not already measured at fair value is adjusted for the gain or loss attributable to the risk being hedged and is taken to profit or loss or other comprehensive income. The gains or losses for hedging instrument re-measured at fair value are taken to profit or loss or other comprehensive income.

When the hedged item in a fair value hedge is measured at amortised cost, any hedge adjustment to its carrying amount is amortised to profit or loss. The amortisation is based on a recalculated effective interest rate at the date when amortisation begins.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss. The changes in fair value of the hedging instrument are also recognised in profit or loss.

The Group discontinues fair value hedge accounting when the hedging relationship ceases to meet the qualifying criteria after taking into account any rebalancing of the hedging relationship, including the hedging instrument has expired or has been sold, terminated or exercised. If the hedged items are derecognised, the unamortised adjustment to carrying amount is recorded in profit or loss.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION**  
**(CONTINUED)**

**(13) Derivatives and hedge accounting (continued)**

Cash flow hedges

Cash flow hedges are hedges of the Group's exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability, a highly probable forecast transaction or a component of any such item, and could affect profit or loss. For designated and qualifying cash flow hedges, the effective portion of the gain or loss on the hedging instrument is initially recognised directly in other comprehensive income. The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in profit or loss.

When the hedged cash flow affects profit or loss, the gain or loss on the hedging instrument recognised directly in other comprehensive income is recycled in the corresponding income or expense line of the statement of profit or loss. When the hedging relationship ceases to meet the qualifying criteria after taking into account any rebalancing of the hedging relationship, including the hedging instrument has expired or has been sold, terminated or exercised, any cumulative gains or losses existing in other comprehensive income at that time remains in other comprehensive income until the hedged forecast transaction ultimately occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in other comprehensive income is immediately transferred to profit or loss.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**(13) Derivatives and hedge accounting (continued)**

Net investment hedges

A net investment hedge is a hedge of the currency risk of a net investment in a foreign institution operation.

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised directly in other comprehensive income; the gain or loss relating to the ineffective portion is recognised in profit or loss immediately. Gains and losses accumulated in other comprehensive income are included in profit or loss when the foreign operation is disposed of as part of the gains or losses on the disposal.

**(14) Repurchase and reverse repurchase transactions (including securities borrowing and lending)**

Assets sold under agreements to repurchase at a specified future date (“repos”) are not derecognised from the statement of financial position. The corresponding cash received, including accrued interest, is recognised on the statement of financial position as a “repurchase agreement”. The difference between the sale and repurchase prices is treated as an interest expense and is amortised over the life of the agreement using the effective interest method.

Conversely, assets purchased under agreements to resell at a specified future date (“reverse repos”) are not recognised on the statement of financial position. The corresponding cash paid, including accrued interest, is recognised on the statement of financial position as a “reverse repurchase agreement”.

According to the policy of classification of financial assets, the reverse repurchase agreements held by the Group were divided into different classifications according to the entity’s business model for managing the financial instruments and the contractual cash flow characteristics of the assets: financial assets measured at amortised cost and financial assets measured at FVTPL. The difference between the purchase and resale prices of reverse repurchase agreements measured at amortised cost is treated as an interest income and is amortised over the life of the agreement using the effective interest method.

Securities borrowing and lending transactions are usually collateralised by securities or cash. The transfer of the securities to counterparties is only reflected on the statement of financial position if the risks and rewards of ownership are also transferred. Cash advanced or received as collateral is recorded as an asset or liability.

Securities borrowed are not recognised in the statement of financial position, unless they are then sold to third parties, in which case the obligation to return the securities is recorded as a financial liability held for trading and measured at fair value with any gains or losses included in profit or loss.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION**  
**(CONTINUED)**

**(15) Insurance contracts**

Identification of insurance contracts

The Group is exposed to insurance risk due to the issuance of insurance contracts. Insurance risk is the risk, other than financial risk, transferred from the holder of a contract to the issuer. The Group assesses the significance of insurance risk contract by contract. A contract is an insurance contract only if it transfers significant insurance risk. A contract that is assessed as meeting the definition of an insurance contract at the contract commencement date will not be re-assessed subsequently. An insurance contract shall be derecognised if the obligations under such contract are discharged due to fulfilment, cancellation or expiration.

Grouping of contracts

The Group identifies portfolios of insurance contracts. A portfolio comprises contracts subject to similar risks and managed together. The Group further divides portfolios of insurance contracts into groups of insurance contracts, which are taken as the unit of measurement. Insurance contracts issued less than one year apart and having similar expected profitability are included in the same group.

If a group of insurance contracts is onerous at the date of initial recognition, or if additional loss is caused by contracts added to the group of onerous contracts, the Group recognises a loss as insurance service expenses.

Except for groups of onerous contracts, the Group reasonably determines the coverage units of contract groups for each accounting period of the coverage period based on the modes to provide insurance contract services and allocates the carrying amount of contract service margin as the insurance revenue for the current and subsequent periods.

Recognition and measurement of insurance contracts

On initial recognition, the Group measures a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin, and recognises an insurance contract liability. Contractual service margin represents the unearned profit the Group will recognise as it provides services under insurance contracts in the future. The fulfilment cash flows comprise estimates of future cash flows directly attributable to fulfilling insurance contracts, an adjustment to reflect the time value of money and the financial risks and a risk adjustment for non-financial risk. A Group's own non-performance risk is not taken into account in estimating the fulfilment cash flows. Risk adjustment for non-financial risk represents the compensation the Group requires for bearing the uncertainty about the amount and timing of future cash flows that arises from non-financial risk as the entity fulfils insurance contracts.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**(15) Insurance contracts (continued)**

Recognition and measurement of insurance contracts (continued)

The Group measures insurance contracts with the general model, applying the variable fee approach or premium allocation approach, and subsequently measures the insurance contract liabilities at the end of the reporting period at the sum of the liability for remaining coverage and the liability for incurred claims. The Group recognises the reduction in the liability for remaining coverage because of services provided in the period as insurance revenue. The Group recognises the increase in the liability for incurred claims because of claims and expenses incurred in the period and any subsequent changes in fulfilment cash flows relating to incurred claims and incurred expenses as insurance service expenses. The Group allocates insurance acquisition cash flows to each accounting period of the coverage period as insurance revenue and recognises the same amount as insurance service expenses.

The Group recognises the change in the liability for remaining coverage and the liability for incurred claims because of the effect of the time value of money and the effect of financial risk as financial changes of insurance contracts. The Group elects to disaggregate financial changes of insurance contracts and include such changes in insurance finance income or expenses for the period and other comprehensive income.

**(16) Leases**

A lease is when the lessor conveys the right to control the use of an asset for a period of time in exchange for the consideration of the lessee.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of one or more identified assets for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset. An identified asset may be specified explicitly or implicitly in a contract and should be physically distinct, or a capacity portion or other portion of an asset that is not physically distinct but represents substantially all of the capacity of the asset and thereby provides the customer with the right to obtain substantially all of the economic benefits from the use of the asset. If the supplier has a substantive substitution right throughout the period of use, then the asset is not identified;
- the lessee has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use;
- the lessee has the right to direct the use of the asset.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION**  
**(CONTINUED)**

**(16) Leases (continued)**

For a contract that contains more than one separate lease component, the lessee and the lessor separate lease components and account for each lease component as a lease separately. For a contract that contains lease and non-lease components, the lessee and the lessor separate lease components from non-lease components. However, for the leases in which the Group is a lessee, the Group has elected not to separate lease components from non-lease components and accounts for the lease and non-lease components as a single lease component.

(i) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, any lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is depreciated using the straight-line method. If the lessee is reasonably certain to exercise a purchase option by the end of the lease term, the right-of-use asset is depreciated over the remaining useful lives of the underlying asset. Otherwise, the right-of-use asset is depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Impairment losses of right-of-use assets are accounted for in accordance with the accounting policy described in Note 4(23).

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate if the interest rate implicit in the lease is not readily determinable. Each institution of the Group uses an interest rate that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment as the incremental borrowing rate.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION**  
**(CONTINUED)**

**(16) Leases (continued)**

(i) As a lessee (continued)

A constant periodic rate is used to calculate the interest on the lease liability in each period during the lease term with a corresponding charge to profit or loss or included in the cost of assets where appropriate. Variable lease payments not included in the measurement of the lease liability are charged to profit or loss or included in the cost of assets where appropriate as incurred.

Under the following circumstances after the commencement date, the Group re-measures lease liabilities based on the present value of revised lease payments:

- there is a change in the in-substance fixed lease payments;
- there is a change in the amounts expected to be payable under a residual value guarantee;
- there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments;
- there is a change in the assessment of whether the Group will exercise a purchase, extension or termination option, or there is a change in the exercise of the extension or termination option.

When the lease liability is re-measured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less, and does not contain any purchase option and leases of low-value assets. The Group recognises the lease payments associated with these leases in profit or loss or as the cost of the assets where appropriate using the straight-line method over the lease term.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION**  
**(CONTINUED)**

**(16) Leases (continued)**

(ii) As a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset irrespective of whether the legal title to the asset is eventually transferred. An operating lease is a lease other than a finance lease.

When the Group is a sub-lessor, it assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If the head lease is a short-term lease to which the Group applies practical expedient described above, then it classifies the sub-lease as an operating lease.

Under a finance lease, at the commencement date, the Group recognises the finance lease receivable and derecognises the finance lease asset. The finance lease receivable is initially measured at an amount equal to the net investment in the lease. The net investment in the lease is measured at the aggregate of the unguaranteed residual value and the present value of the lease receivable that are not received at the commencement date, discounted using the interest rate implicit in the lease.

The Group recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return. The impairment and derecognition of the finance lease receivable are recognised in accordance with the accounting policy in Notes 4(10) and 4(12). Variable lease payments not included in the measurement of net investment in the lease are recognised as income as they are earned.

Lease receipts from operating leases is recognised as income using the straight-line method over the lease term. The initial direct costs incurred in respect of the operating lease are initially capitalised and subsequently amortised in profit or loss over the lease term on the same basis as the lease income. Variable lease payments not included in lease receipts are recognised as income as they are earned.

**(17) Financial guarantee contracts**

The Group issues financial guarantee contracts, including letters of credit, letters of guarantee and acceptance. These financial guarantee contracts provide for specified payments to be made to reimburse the holders for the losses they incur when a guaranteed party defaults under the original or modified terms of a debt instrument, loan or any other obligation.

The Group initially measures all financial contracts at fair value, in other liabilities, being the premium received. This amount is recognised ratably over the period of the contract as fee and commission income. Subsequently, the liabilities are measured at the higher of the amount of the loss allowance determined in accordance with impairment policies of financial instruments and the amount initially recognised less the cumulative amount of income. Any increase in the liability relating to a financial guarantee is taken to the statement of profit or loss.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION**  
**(CONTINUED)**

**(18) Fiduciary activities**

When the Group acts in a fiduciary capacity such as custodian or agent, assets arising thereon together with related undertakings to return such assets to customers are excluded from the statement of financial position.

The asset custody services of the Group refer to the business that the Group as trustee approved by regulatory authorities, signs custody agreement with clients and takes the responsibility of trustee in accordance with relevant laws and regulations. The assets under custody are not recorded on the statement of financial position as the Group merely fulfils the responsibility as trustee and charges fees in accordance with these agreements without retaining any risks or rewards of the assets under custody.

The Group grants entrusted loans on behalf of trustors, which are recorded off-balance sheet. The Group, as a trustee, grants such entrusted loans to borrowers under the direction of those trustors who fund these loans. The Group has been contracted by those trustors to manage the administration and collection of these loans on their behalf. Those trustors determine both the underwriting criteria for and the terms of all entrusted loans including their purposes, amounts, interest rates, and repayment schedules. The Group charges a commission related to its activities in connection with entrusted loans which are recognised ratably over the period in which the service is provided. The risk of loss is borne by those trustors.

**(19) Precious metals**

Precious metals comprise gold, silver 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 realisable value. Precious metals acquired by the Group for trading purposes are initially measured at fair value and subsequent changes in fair value are recorded in the statement of profit or loss.

The Group records the precious metals received as an asset. A liability to return the amount of precious metals deposited is also recognised. The precious metals deposited with the Group are measured at fair value both on initial recognition and in subsequent measurement.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**(20) Property and equipment**

Property and equipment, other than construction in progress are stated at costs less accumulated depreciation and any impairment loss. The cost of an item of property and equipment comprises its purchase price, tax and any directly attributable costs of bringing the asset to its present working condition and location for its intended use. Expenditure incurred after items of property and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement.

Construction in progress comprises the direct costs of construction during the period of construction and is not depreciated. Construction in progress is reclassified to the appropriate category of property and equipment when completed and ready for use.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property and equipment, less any estimated residual value, over the estimated useful life. The estimated useful life, estimated residual value rate and the annual depreciation rate of each item of property and equipment (excluding aircraft and vessels) are as follows:

	Estimated useful life	Estimated residual value rate	Annual depreciation rate
Properties and buildings	5-50 years	0%-3%	1.94%-20%
Office equipment and motor vehicles (excluding aircraft and vessels)	2-7 years	-	14.29%-50%
Leasehold improvements		The shorter of the economic useful lives and remaining lease terms	

Equipment under operating leases where the Group is the lessor contains aircraft, aircraft engines and vessels. The estimated useful lives and depreciation methods are determined according to the conditions of individual aircraft and vessel. The estimated residual values are assessed by an independent appraiser based on historical data. The estimated useful lives range from 18 to 25 years.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION**  
**(CONTINUED)**

**(20) Property and equipment (continued)**

For an impaired fixed asset, the depreciation is calculated based on the carrying value less the cumulative impairment loss.

Where parts of an item of property and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year the asset is derecognised.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION**  
**(CONTINUED)**

**(21) Land use rights**

Land use rights are recognised at cost, being the fair value at the time of injection from the central government of the PRC (the “Government”) during the Group’s restructuring or the consideration paid. The rights are amortised using the straight-line method over the periods of the leases. When the prepaid land lease payments cannot be allocated reliably between the land and buildings elements, the entire lease payments are included in the costs of properties and buildings as finance leases in property and equipment.

**(22) Repossessed assets**

Repossessed assets are initially recognised at fair value of assets not retained plus related costs, and are subsequently measured at the lower of the carrying value and net recoverable amount. If the recoverable amount is lower than the carrying value of the repossessed assets, the assets are written down to the recoverable amount.

**(23) Non-financial asset impairment**

The Group assesses at the end of each reporting period whether there is any indication that property and equipment, land use rights, right-of-use assets, associates and joint ventures and other non-financial assets may be impaired. If any such indication exists, or when impairment testing for an asset is required, the Group makes an estimate of the asset’s recoverable amount. An asset’s recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined on an individual basis, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the CGU to which the asset belongs. Where the gross carrying amount of an asset exceeds its recoverable amount, the asset is considered to be impaired and is written down to its recoverable amount. In assessing value in use of an asset, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss except for goodwill is reversed only if there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of any depreciation or amortisation, had no impairment loss been recognised for the asset in prior years. Any such reversal is recognised in profit or loss. After such a reversal, the depreciation or amortisation charge is adjusted in future periods to allocate the asset’s revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**(24) Provisions**

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made on the amount of the obligation.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. When the effect of the time value of money is material, the best estimate is determined by discounting the related future cash outflows. When determining the best estimate, the Group considers factors pertaining to a contingency such as risks, uncertainties and time value of money. Where there is a range of possible outcome, and each possible outcome in that range is as likely as any other, the best estimate is the mid-point of that range. In other cases, the best estimate is determined according to the following circumstances:

- where the contingency involves a single item, the best estimate is the most likely outcome;
- where the contingency involves a large population of items, the best estimate is determined by weighting all possible outcomes by their associated probabilities.

The Group reviews the carrying amount of a provision at the end of reporting period. The carrying amount is adjusted to the current best estimate.

**(25) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably. Contingent liabilities are disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable and can be reliably estimated, it will then be recognised as a provision.

**(26) Preference shares and perpetual bonds**

At initial recognition, the Group classifies the preference shares, perpetual bonds issued or their components as financial liabilities or equity instruments based on their contractual terms and their economic substance after considering the definition of financial liabilities and equity instruments.

Preference shares and perpetual bonds issued that should be classified as equity instruments are recognised in equity based on the actual amount received. Any distribution of dividends or interests during the instrument's duration is treated as profit appropriation. When the preference shares and perpetual bonds are redeemed according to the contractual terms, the redeemed amount is charged to equity.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**(27) Cash and cash equivalents**

Cash and cash equivalents refer to monetary assets, which are short-term, highly liquid, readily convertible into known amounts of cash and subject to an insignificant risk of changes in value. Cash and cash equivalents comprise cash, unrestricted balances with central banks, amounts due from banks and other financial institutions and reverse repurchase agreements with original maturity of less than three months.

**(28) Revenue recognition**

Interest income

For all financial instruments measured at amortised cost and interest-generating financial instruments classified as financial assets measured at FVTOCI, interest income is recorded at the effective interest rate, which is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, where appropriate, to the gross carrying amount of the financial asset, or the amortised cost of financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not expected credit losses.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets and is recognised as interest income, except for:

- (i) purchased or originated credit-impaired financial assets, whose interest income is calculated, since initial recognition, by applying the credit adjusted effective interest rate to their amortised cost; and
- (ii) purchased or originated financial assets that are not credit-impaired but have subsequently become credit-impaired, whose interest income is calculated by applying the effective interest rate to their amortised cost (i.e., net of the expected credit loss provision). If, in a subsequent period, the financial assets quality improve so that they are no longer credit-impaired and the improvement in credit quality is related objectively to a certain event occurring after the application of the above-mentioned rules, then the interest income is calculated by applying the effective interest rate to their gross carrying amount.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION**  
**(CONTINUED)**

**(28) Revenue recognition (continued)**

Fee and commission income

The Group earns fee and commission income from a diverse range of services it provides to its customers. The fee and commission income recognised by the Group reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring promised services to customers, and income is recognised when its performance obligation in contracts is satisfied.

- (i) The Group recognises income over time by measuring the progress towards the complete satisfaction of a performance obligation, if one of the following criteria is met:
- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
  - the customer controls the service provided by the Group in the course of performance;
  - or
  - the Group does not provide service with an alternative use to the Group, and the Group has an enforceable right to payment for performance completed to date.
- (ii) In other cases, the Group recognises revenue at a point in time at which a customer obtains control of the promised services.

Dividend income

Dividend income is recognised when the Group's right to receive payment is established, it is probable that the related economic benefits will flow to the Group and the related income can be reliably measured.

**(29) Employee benefits**

Employee benefits refer to all forms of consideration and other related expenditure given by the Group in exchange for services rendered by employees. The benefits payable are recognised as liabilities during the period in which the employees have rendered services to the Group. If the effect of discounting the benefits payable which are payable after one year from the end of the reporting period is significant, the Group will present them at their present value.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**(29) Employee benefits (continued)**

Short-term employee benefits

Employee wages or salaries, bonuses, social security contributions such as medical insurance, work injury insurance, maternity insurance and housing fund, measured at the amount incurred or at the applicable benchmarks and rates, 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.

All eligible employees outside Chinese mainland participate in local defined contribution schemes. The Group contributes to these defined contribution schemes based on the requirements of the local regulatory bodies and charge to profit or loss or included in the cost of assets where appropriate.

Post-employment benefits-defined contribution plans

Pursuant to the relevant laws and regulations of the PRC, the Group participates in a defined contribution basic pension insurance and unemployment insurance in the social insurance system established and managed by government organisations. The Group makes contributions to basic pension insurance and unemployment insurance plans based on the applicable benchmarks and rates stipulated by the organisations. Basic pension insurance and unemployment insurance contributions are recognised as liabilities with a corresponding charge to profit or loss or included in the cost of assets where appropriate as the related services are rendered by the employees.

In addition, employees in Chinese mainland also participate in defined contribution retirement benefit plans established by the Group (the “Annuity Plan”). The Group and its employees are required to contribute a certain percentage of the employees’ previous year basic salaries to the Annuity Plan. The Group pays a fixed contribution into the Annuity Plan and has no obligation to pay further contributions if the Annuity Plan does not hold sufficient assets to pay all employee benefits. The contribution is charged to profit or loss when it is incurred.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**(29) Employee benefits (continued)**

Termination benefits

Termination benefits are payable as a result of either the Group's decision to terminate an employee's employment before the due date of labour contract or an employee's decision to accept an offer of benefits in exchange for the termination of employment. The Group recognises termination benefits in profit or loss at the earlier of:

- when the Group cannot unilaterally withdraw the offer of termination benefits because of an employee termination plan or a curtailment proposal; and
- when the Group has a specific, formal restructure plan involving payment of termination benefits, and the plan has started or informed each affected party about the influence of the plan, therefore each party formed reasonable expectations.

Early retirement benefits

According to the Bank's policy on early retirement benefits, certain employees are entitled to take leave of absence and in return receive a certain level of staff salaries and related benefits from the Bank. The salaries and benefit payments are made from the date of early retirement to the normal retirement date. Differences arising from changes in assumptions and estimates of the present value of the liabilities are recognised in profit or loss.

**(30) Income tax**

Income tax comprises current and deferred tax. Income tax is recognised in the statement of profit or loss except that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of each reporting period.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION**  
**(CONTINUED)**

**(30) Income tax (continued)**

Deferred tax

Deferred tax is provided using the balance sheet liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- (i) where the taxable temporary difference arises from the initial recognition of goodwill;
- (ii) where the taxable temporary difference arises from the initial recognition of assets and liabilities in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable income (or deductible expenses), and such transaction does not give rise to equivalent taxable temporary differences and deductible temporary differences.

In respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax liabilities are recognised except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except that deferred tax assets are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction and that:

- (i) transaction is not a business combination;
- (ii) at the time of the transaction, it affects neither the accounting profit nor taxable income (or deductible expenses);
- (iii) such transaction does not give rise to equivalent taxable temporary differences and deductible temporary differences.

In respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will be reversed in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**(30) Income tax (continued)**

Deferred tax (continued)

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 realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, and reflect the corresponding tax effect.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax asset to be utilised. When it is virtually probable that sufficient taxable income will be available, the reduced amount can be reversed accordingly.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**(31) Dividends**

Dividends are recognised as a liability and deducted from equity when they are approved by the Bank's shareholders in general meetings and declared. Interim dividends are deducted from equity when they are approved and declared, and no longer at the discretion of the Bank. A dividend for the year that is approved after the end of the reporting period is disclosed as an event after the reporting period.

**5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES**

In the process of applying the Group's accounting policies, management is required to make judgements, estimates and assumptions of the effects of uncertain future events on the financial statements. The most significant use of judgements, estimates and assumptions concerning the uncertainty of the future at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below.

**Measurement of the ECL**

The measurement of the ECL allowance for financial assets measured at amortised cost and FVTOCI, and with exposure arising from loan commitments and financial guarantee contracts, is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (the likelihood of customers defaulting and the resulting losses). Refer to Note 50(a) credit risk for the explanation of the parameters, assumptions and estimation techniques used in measuring ECL.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)**

**Income tax**

Determining income tax provisions requires the Group to estimate the future tax treatment of certain transactions. The Group evaluates tax implications of transactions in accordance with prevailing tax regulations and makes tax provisions accordingly. In addition, deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. This requires significant judgement on the tax treatments of certain transactions and also significant assessment on the probability that adequate future taxable profits will be available for the deferred tax assets to be recovered.

**Fair value of financial instruments**

If the market for a financial instrument is not active, the Group determines the fair value by using valuation technique, including using recent arm's length market transactions between knowledgeable and willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. Valuation technique makes maximum use of observable market input. However, where observable market inputs are not available, management makes estimates on such unobservable market inputs.

**Determination of control over investees**

Management applies its judgement to determine whether the control indicators set out in Note 4(2) indicate that the Group controls securitisation vehicles, wealth management products, investment funds, trust plans, asset management plans and asset-backed securities.

Securitisation vehicles

Certain securitisation vehicles sponsored by the Group under its securitisation programme are run according to predetermined criteria at the initial set up of the vehicles. In addition, the Group is exposed to variability of returns from the vehicles through holding interests in the vehicles and the day-to-day servicing of the underlying assets in the vehicles which is carried out by the Group under a servicing contract. Key decisions are usually required only when underlying assets go into default. Therefore, in considering whether it has control, the Group considers whether it can use its power to influence these vehicles' returns.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)**

**Determination of control over investees (continued)**

Wealth management products, investment funds, trust plans, asset management plans and asset-backed securities

The Group acts as manager or investor in a number of wealth management products, investment funds, trust plans, asset management plans and assets-backed securities. When assessing whether the Group controls such a structured entity, the Group would determine whether it exercises the decision-making rights as a principal or an agent and usually focuses on the assessment of the aggregate economic interests of the Group in the entity (comprising any carried interests and expected management fees) and the decision-making authority of the entity. The Group would also determine whether another entity with decision-making rights is acting as an agent for it.

**6. NET INTEREST INCOME**

	2025	2024
<b>Interest income on:</b>		
Loans and advances to customers	838,983	937,938
Corporate loans and advances	547,904	599,296
Personal loans	270,418	319,897
Discounted bills	20,661	18,745
Financial investments	387,636	365,208
Due from central banks	50,580	54,174
Due from banks and other financial institutions (i)	54,632	70,628
	<u>1,331,831</u>	<u>1,427,948</u>
<b>Interest expense on:</b>		
Due to customers	(474,363)	(564,039)
Due to banks and other financial institutions (ii)	(146,721)	(156,622)
Debt securities issued and certificates of deposit	(75,621)	(69,882)
	<u>(696,705)</u>	<u>(790,543)</u>
Net interest income	<u>635,126</u>	<u>637,405</u>

(i) Includes interest income on reverse repurchase agreements.

(ii) Includes interest expense on due to central banks and repurchase agreements.

The above interest income and expense are related to financial instruments which are not measured at fair value through profit or loss.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**7. NET FEE AND COMMISSION INCOME**

	2025	2024
<b>Fee and commission income on:</b>		
Settlement, clearing business and cash management	42,376	42,755
Personal wealth management and private banking services	19,176	17,880
Investment banking business	18,815	19,724
Bank card business	16,557	17,853
Corporate wealth management services	12,955	10,850
Asset custody business	8,180	8,045
Guarantee and commitment business	3,173	4,185
Trust and agency services	2,008	2,019
Others	3,482	2,866
	<u>126,722</u>	<u>126,177</u>
Fee and commission expense	<u>(15,551)</u>	<u>(16,780)</u>
Net fee and commission income	<u>111,171</u>	<u>109,397</u>

Included in personal wealth management and private banking services, corporate wealth management services, asset custody business, trust and agency services and so on was an amount of RMB17,036 million with respect to trust and other fiduciary activities for 2025 (2024: RMB15,850 million).

**8. NET TRADING INCOME**

	2025	2024
Debt securities	9,340	13,644
Derivatives and others	2,555	4,293
Equity investments	6,615	1,503
	<u>18,510</u>	<u>19,440</u>

The above amounts mainly include gains and losses arising from the buying and selling of, the interest income and expense on, and the changes in fair value of financial assets and liabilities held for trading.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**9. NET GAINS ON FINANCIAL INVESTMENTS**

	2025	2024
Net gains on financial instruments measured at FVTPL, including:		
Net losses on financial instruments designated as at FVTPL	7,475	13,893
Net gains on disposal of financial instruments measured at FVTOCI	(4,774)	(5,087)
Dividend income from equity investments designated as at FVTOCI, including:		
Derecognised during the year	4,808	2,490
Held at the end of current year	3,480	3,067
Net gains on disposal of financial instruments measured at amortised cost	783	914
Others	2,697	2,153
	19,023	3,446
	20	65
	<u>34,806</u>	<u>22,961</u>

**10. OTHER OPERATING INCOME/(EXPENSE), NET**

	2025	2024
Net operating lease business income	10,703	10,840
Net insurance business expense	(8,252)	(7,606)
Net gains on disposal of property and equipment, repossessed assets and other assets	536	1,352
Net losses from foreign exchange and foreign exchange products	(490)	(6,911)
Others	(715)	(752)
	<u>1,782</u>	<u>(3,077)</u>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**11. OPERATING EXPENSES**

	2025	2024
Staff costs:		
Salaries and bonuses	95,842	93,872
Staff benefits	31,064	30,941
Post-employment benefits – defined contribution plans (i)	19,543	19,741
	<u>146,449</u>	<u>144,554</u>
Property and equipment expenses:		
Depreciation charge for property and equipment	15,093	15,250
Depreciation charge for right-of-use assets and other leasing expense	6,877	7,182
Repairs and maintenance charges	3,369	2,724
Utility expenses	2,065	2,118
	<u>27,404</u>	<u>27,274</u>
Amortisation	5,468	5,157
Other administrative expenses (ii)	28,148	28,705
Taxes and surcharges	10,658	10,765
Others	28,747	25,700
	<u>246,874</u>	<u>242,155</u>

- (i) The defined contribution plans mainly include pension insurance, unemployment insurance and the annuity plan.
- (ii) The principal auditor's remuneration of RMB195 million for the year (2024: RMB195 million) is included in other administrative expenses.
- (iii) In 2025, the Group incurred RMB5,573 million (2024: RMB5,697 million) of expensed research and development expenditures and RMB 2,286 million (2024: RMB2,249 million) of capitalized research and development expenditures.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**12. DIRECTORS' AND SUPERVISORS' REMUNERATION**

Details of the directors' and supervisors' remuneration before tax, as disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Companies Ordinance, are as follows:

Name	Position	Year ended 31 December 2025			Total remuneration before tax RMB'000 (4)=(1)+(2)+(3)
		Remuneration before tax paid RMB'000 (1)	Contribution by the employer to social insurance, housing allowance, annuities, and additional medical insurances RMB'000 (2)	Fees RMB'000 (3)	
Liao Lin	Chairman, Executive Director	686	240	-	926
Liu Jun	Vice Chairman, Executive Director, President, Chief Compliance Officer	686	240	-	926
Duan Hongtao(i)	Executive Director	617	233	-	850
Wang Jingwu	Executive Director, Senior Executive Vice President, Chief Risk Officer	617	233	-	850
Cao Liqun	Non-executive Director	-	-	-	-
Dong Yang	Non-executive Director	-	-	-	-
Zhong Mantao	Non-executive Director	-	-	-	-
Norman Chan Tak Lam	Independent Non-executive Director	-	-	520	520
Herbert Walter	Independent Non-executive Director	-	-	470	470
Murray Horn	Independent Non-executive Director	-	-	507	507
Chen Guanting	Independent Non-executive Director	-	-	440	440
Li Weiping (ii)	Independent Non-executive Director	-	-	419	419
Lee Kam Hung Lawrence (iii)	Independent Non-executive Director	-	-	-	-
Lu Yongzhen(iv)	Former Non-executive Director	-	-	-	-
Feng Weidong(v)	Former Non-executive Director	-	-	-	-
Chen Yifang(vi)	Former Non-executive Director	-	-	-	-
Fred Zulu Hu(vii)	Former Independent Non-executive Director	-	-	147	147
Huang Li	Former Employee Supervisor	-	-	38	38
Zhang Jie	Former External Supervisor	-	-	188	188
Liu Lanbiao	Former External Supervisor	-	-	188	188
<b>Total</b>		<b>2,606</b>	<b>946</b>	<b>2,917</b>	<b>6,469</b>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**12. DIRECTORS' AND SUPERVISORS' REMUNERATION (CONTINUED)**

Note: Since January 2015, the remuneration of the Chairman of the Board of Directors, the President and other executives of the Bank has followed the State's policies relating to the remuneration reform on executives of central enterprises.

The total compensation packages for the Chairman of the Board of Directors, President and Executive Directors of the Bank have not been finalized in accordance with the regulations of the PRC relevant authorities. The remuneration not yet accrued is not expected to have a significant impact on the Group's 2025 consolidated financial statements. The total compensation packages will be further disclosed when determined by the relevant authorities.

The Board of Supervisors of the Bank was officially dissolved in September 2025. The supervisory compensation presented in the above table represents the total remuneration received by supervisors for performing their duties during the existence of the Board of Supervisors of the Bank in 2025.

Fees of Mr. Huang Li are his allowances obtained as Employee Supervisor of the Bank, excluding his remuneration with the Bank in accordance with the employee remuneration system.

As at the approval date of the consolidated financial statements for the year ended 31 December 2025, changes of directors of the Bank were as follows:

- (i) At the First Extraordinary Shareholders' Meeting of 2025 held on 16 October 2025, Mr. Duan Hongtao was elected as Executive Director of the Bank, and his qualification was approved by the NFRA in October 2025. Due to position change, Mr. Duan Hongtao has taken office as Deputy Secretary of the Party Committee of the Bank from June 2025, and he tendered the resignation to the Bank in August 2025, resigning from his positions as Senior Executive Vice President, Board Secretary and Company Secretary of the Bank.
- (ii) At the Third Extraordinary Shareholders' General Meeting of 2024 held on 2 December 2024, Mr. Li Weiping was elected as Independent Non-executive Director of the Bank, and his qualification was approved by the NFRA in February 2025.
- (iii) At the First Extraordinary Shareholders' Meeting of 2025 held on 16 October 2025, Mr. Lee Kam Hung Lawrence was elected as Independent Non-executive Director of the Bank, and his qualification was approved by the NFRA in January 2026.
- (iv) In November 2025, Mr. Lu Yongzhen ceased to act as Non-executive Director of the Bank due to expiration of his term of office.
- (v) In May 2025, Mr. Feng Weidong ceased to act as Non-executive Director of the Bank due to his age.
- (vi) In May 2025, Ms. Chen Yifang ceased to act as Non-executive Director of the Bank due to expiration of her term of office.
- (vii) In April 2025, Mr. Fred Zulu Hu ceased to act as Independent Non-executive Director of the Bank due to expiration of his term of office.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**12. DIRECTORS' AND SUPERVISORS' REMUNERATION (CONTINUED)**

		Year ended 31 December 2024								
Name	Position	Fees RMB'000 (1)	Remuneration RMB'000 (2)	Discretionary bonuses RMB'000 (3)	Contribution by the employer to social insurance, housing allowance, annuities and additional medical insurances	Total emoluments before tax RMB'000 (5)=(1)+(2)+(3)+(4)	Of which: deferred payment RMB'000 (6)	Actual amount of remuneration before tax paid RMB'000 (7)=(5)-(6)		
					RMB'000 (4)					
Liao Lin (i)	Chairman, Executive Director	-	392	539	235	1,166	-	1,166		
Liu Jun (ii)	Vice Chairman, Executive Director, President	-	261	359	159	779	-	779		
Wang Jingwu	Executive Director, Senior Executive Vice President, Chief Risk Officer	-	353	485	229	1,067	-	1,067		
Lu Yongzhen	Non-executive Director	-	-	-	-	-	-	-		
Feng Weidong	Non-executive Director	-	-	-	-	-	-	-		
Cao Liqun	Non-executive Director	-	-	-	-	-	-	-		
Chen Yifang	Non-executive Director	-	-	-	-	-	-	-		
Dong Yang	Non-executive Director	-	-	-	-	-	-	-		
Zhong Mantao (iii)	Non-executive Director	-	-	-	-	-	-	-		
Fred Zulu Hu	Independent Non-executive Director	440	-	-	-	440	-	440		
Norman Chan Tak Lam	Independent Non-executive Director	503	-	-	-	503	-	503		
Herbert Walter (iv)	Independent Non-executive Director	377	-	-	-	377	-	377		
Murray Horn (v)	Independent Non-executive Director	208	-	-	-	208	-	208		
Chen Guanting (vi)	Independent Non-executive Director	37	-	-	-	37	-	37		
Li Weiping (vii)	Independent Non-executive Director	-	-	-	-	-	-	-		
Huang Li	Employee Supervisor	50	-	-	-	50	-	50		

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)  
**12. DIRECTORS' AND SUPERVISORS' REMUNERATION (CONTINUED)**

		Year ended 31 December 2024							
Name	Position	Fees RMB'000 (1)	Remuneration RMB'000 (2)	Discretionary bonuses RMB'000 (3)	Contribution by the employer to social insurance, housing allowance, annuities and additional medical insurances RMB'000 (4)	Total emoluments before tax RMB'000 (5)=(1)+(2)+(3)+(4)	Of which: deferred payment RMB'000 (6)	Actual amount of remuneration before tax paid RMB'000 (7)=(5)-(6)	
Zhang Jie	External Supervisor	250	-	-	-	250	-	250	
Liu Lanbiao	External Supervisor	250	-	-	-	250	-	250	
Chen Siqing (viii)	Former Chairman, Executive Director	-	33	45	19	97	-	97	
Anthony Francis Neoh (ix)	Former Independent Non-executive Director	130	-	-	-	130	-	130	
Yang Siu Shun (x)	Former Independent Non-executive Director	313	-	-	-	313	-	313	
Shen Si (xi)	Non-executive Director	449	-	-	-	449	-	449	
<b>Total</b>		<b>3,007</b>	<b>1,039</b>	<b>1,428</b>	<b>642</b>	<b>6,116</b>	<b>-</b>	<b>6,116</b>	

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**12. DIRECTORS' AND SUPERVISORS' REMUNERATION (CONTINUED)**

Note: Since January 2015, the remuneration of the Chairman of the Board of Directors, the President and other executives of the Bank has followed the State's policies relating to the remuneration reform on executives of central enterprises.

The remuneration before tax of Directors and Supervisors for 2024 set out in the table above represents the total amount of annual remuneration for each of these individuals, which include the amounts disclosed in the 2024 Annual Report.

Pursuant to the PRC relevant regulations, a portion of the discretionary bonus payments for the Chairman of the Board of Directors, the President, Executive Directors and other senior management members are deferred and will be determined based on the future performance.

Fees of Mr. Huang Li are his allowances obtained as Employee Supervisors of the Bank, excluding his remuneration with the Bank in accordance with the employee remuneration system.

As at the approval date of the consolidated financial statements for the year ended 31 December 2024, changes of directors of the Bank were as follows:

- (i) In February 2024, Mr. Liao Lin resigned from the position of President of the Bank due to change of job assignments. In order to ensure the smooth operation and management of the Bank, Mr. Liao Lin performs the duties and powers of the President to the date on which the new President of the Bank officially takes office according to the regulation and the Articles of Association of the Bank. On 1 February 2024, the Board of Directors of the Bank elected Mr. Liao Lin as Chairman of the Board of Directors of the Bank, and his qualification was approved by the NFRA in February 2024.
- (ii) On 22 May 2024, the Board of Directors of the Bank elected Mr. Liu Jun as Vice Chairman of the Board of Directors of the Bank, which took effect upon his appointment as Executive Director of the Bank being considered and approved by the Bank's Annual General Meeting for the Year 2023 on 28 June 2024; On 22 May 2024, the Board of Directors of the Bank appointed Mr. Liu Jun as President of the Bank, and his appointment took effect upon the consideration and approval by the Board of Directors; At the Bank's Annual General Meeting for the Year 2023 held on 28 June 2024, Mr. Liu Jun was elected as Executive Director of the Bank, and his term of office as Executive Director started from the date of approval by the Shareholders' General Meeting.
- (iii) At the Bank's Annual General Meeting for the Year 2023 held on 28 June 2024, Ms. Zhong Mantao was elected as Non-executive Director of the Bank, and her qualification was approved by the NFRA in September 2024.
- (iv) At the First Extraordinary General Meeting of 2023 held on 30 November 2023, Mr. Herbert Walter was elected as Independent Non-executive Director of the Bank, and his qualification was approved by the NFRA in March 2024.
- (v) On 29 February 2024, the First Extraordinary General Meeting of 2024 of the Bank elected Mr. Murray Horn as Independent Non-executive Director of the Bank, and his qualification was approved by the NFRA in August 2024.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**12. DIRECTORS' AND SUPERVISORS' REMUNERATION (CONTINUED)**

As at the approval date of the consolidated financial statements for the year ended 31 December 2024, changes of directors of the Bank were as follows: (continued)

- (vi) On 20 September 2024, the Second Extraordinary General Meeting of 2024 of the Bank elected Mr. Chen Guanting as Independent Non-executive Director of the Bank, and his qualification was approved by the NFRA in November 2024.
- (vii) On 2 December 2024, the Third Extraordinary General Meeting of 2024 of the Bank elected Mr. Li Weiping as Independent Non-executive Director of the Bank, and his qualification was approved by the NFRA in February 2025.
- (viii) In February 2024, Mr. Chen Siqing ceased to act as Chairman of the Board of Directors and Executive Director of the Bank due to his age.
- (ix) In March 2024, Mr. Anthony Francis Neoh ceased to act as Independent Non-executive Director of the Bank due to expiration of his term of office.
- (x) In August 2024, Mr. Yang Siu Shun ceased to act as Independent Non-executive Director of the Bank due to expiration of his term of office.
- (xi) In November 2024, Mr. Shen Si ceased to act as Independent Non-executive Director of the Bank due to expiration of his term of office.

The Non-executive Directors of the Bank who were recommended by Huijin received emoluments from Huijin in respect of their services during the year.

In 2025, there was no arrangement under which a Director or a Supervisor of the Bank waived or agreed to waive any remuneration (2024: None).

In 2025, no emolument was paid by the Group to any of the Directors or Supervisors as an inducement to join or upon joining the Group or as a compensation for loss of office (2024: Nil).

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**13. FIVE HIGHEST PAID INDIVIDUALS**

The five highest paid individuals of the Group are employees of the Bank's subsidiaries. Their emoluments were determined based on the prevailing market rates in the respective countries/regions where the subsidiaries are operating. None of them are directors, supervisors or key management personnel of the Bank whose emoluments are disclosed in Notes 12 and 48(g) to the consolidated financial statements. Details of the emoluments in respect of the five highest paid individuals are as follows:

	2025 RMB'000	2024 RMB'000
Salaries and allowances	29,136	20,136
Discretionary bonuses	38,996	38,003
Others	875	505
	<u>69,007</u>	<u>58,644</u>

The number of these individuals whose emoluments fell within the following bands is set out below:

	Number of employees	
	2025	2024
RMB9,000,001 Yuan to RMB11,000,000 Yuan	-	2
RMB11,000,001 Yuan to RMB13,000,000 Yuan	2	2
RMB13,000,001 Yuan to RMB15,000,000 Yuan	2	-
RMB15,000,001 Yuan to RMB17,000,000 Yuan	1	1
	<u>5</u>	<u>5</u>

In 2025, no emolument was paid by the Group to any of these non-director and non-supervisor individuals as an inducement to join or upon joining the Group or as a compensation for loss of office (2024: Nil).

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**14. CREDIT IMPAIRMENT LOSSES**

	2025	2024
Loans and advances to customers (Note 23)	149,620	122,479
Financial investments		
Financial investments measured at amortised cost	(2,090)	(507)
Financial assets measured at FVTOCI	200	(675)
Credit commitments	(830)	690
Others	(13,927)	3,752
	<u>132,973</u>	<u>125,739</u>

**15. INCOME TAX EXPENSE**

**(a) Income tax expense**

	2025	2024
Current income tax expense		
Chinese mainland	50,116	47,474
Hong Kong SAR and Macao SAR	1,602	1,389
Other overseas jurisdictions	5,981	4,998
	<u>57,699</u>	<u>53,861</u>
Deferred income tax expense	(4,030)	1,020
	<u>53,669</u>	<u>54,881</u>

In December 2021, the Organisation for Economic Co-operation and Development published Tax Challenges Arising from the Digitalisation of the Economy – Global Anti-Base Erosion Model Rules (“Pillar Two Model Rules”). According to the rules of Pillar Two, low-tax jurisdictions with effective tax rate below 15% may have a Top-up Tax impact.

Some jurisdictions where the Group’s overseas entities are located, had implemented Pillar Two legislation during the reporting period. The Group has assessed the impact of Top-up Tax under Pillar Two. The legislation in the aforementioned jurisdictions has no significant impact on the Group's financial position and operating results as at 31 December 2025. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 on Pillar Two Model Rules.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**15. INCOME TAX EXPENSE (CONTINUED)**

**(b) Reconciliation between income tax and accounting profit**

PRC statutory income tax rate is 25%. Taxes on profits assessable elsewhere have been calculated at the applicable rates of tax prevailing in the countries/regions in which the Group operates in. The Group has reconciled income tax expense applicable to profit before taxation at the PRC statutory income tax rate to actual income tax expense for the Group as follows:

	2025	2024
Profit before taxation	<u>424,435</u>	<u>421,827</u>
Tax at the PRC statutory income tax rate	106,109	105,457
Effects of different applicable rates of tax prevailing in other countries/regions	(318)	(672)
Effects of non-deductible expenses (i)	25,284	22,556
Effects of non-taxable income (ii)	(75,586)	(69,966)
Effects of profits attributable to associates and joint ventures	(191)	(270)
Effects of other	<u>(1,629)</u>	<u>(2,224)</u>
Income tax expense	<u>53,669</u>	<u>54,881</u>

- (i) The non-deductible expenses mainly represent non-deductible impairment allowance and write-offs.  
(ii) The non-taxable income mainly represents interest income arising from the PRC government bonds and municipal debts.

**16. PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY**

The consolidated profit attributable to equity holders of the parent company for the year ended 31 December 2025 includes a profit of RMB352,266 million (2024: RMB345,454 million) which has been dealt with in the financial statements of the Bank (Note 52).

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**17. DIVIDENDS**

	2025	2024
Dividends on ordinary shares declared and paid:		
Interim dividends on ordinary shares for 2025:RMB0.1414 per share (2024:RMB0.1434 per share)	50,396	51,109
Dividends or interests declared and paid to other equity instrument holders of the parent company:		
Dividends on preference shares	4,997	5,819
Interests on perpetual bonds distributed	6,767	9,144
	11,764	14,963
Dividends on ordinary shares proposed for approval (not recognised as at 31 December):		
Year-end dividends on ordinary shares for 2025: RMB0.1689 per share (2024:RMB0.1646 per share)	60,197	58,664

**18. EARNINGS PER SHARE**

	2025	2024
Earnings:		
Profit for the year attributable to equity holders of the parent company	368,562	365,863
Less: Profit for the year attributable to other equity instrument holders of the parent company	(11,764)	(14,963)
Profit for the year attributable to ordinary shareholders of the parent company	356,798	350,900
Shares:		
Weighted average number of ordinary shares in issue (in million shares)	356,407	356,407
Basic earnings per share (RMB yuan)	1.00	0.98
Diluted earnings per share (RMB yuan)	1.00	0.98

Basic and diluted earnings per share were calculated using the profit for the year attributable to ordinary shareholders of the parent company divided by the weighted average number of ordinary shares in issue.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**19. CASH AND BALANCES WITH CENTRAL BANKS**

	31 December 2025	31 December 2024
Cash on hand	72,868	72,069
Balances with central banks		
Mandatory reserves (i)	2,663,789	2,634,893
Surplus reserves (ii)	679,586	393,112
Fiscal deposits and others	256,607	221,179
Accrued interest	<u>1,708</u>	<u>1,658</u>
	<u><u>3,674,558</u></u>	<u><u>3,322,911</u></u>

- (i) The Group is required to place mandatory reserve deposits and other restricted deposits with the PBC and certain central banks of overseas countries or regions where it has operations. They are not available for use in the Group's daily operations. As at 31 December 2025, the mandatory reserve deposits ratios of the domestic branches of the Bank in respect of customer deposits denominated in RMB and foreign currencies were 7.5% (31 December 2024: 8.0%) and 4.0%(31 December 2024: 4.0%) respectively. The mandatory reserve funds placed by domestic subsidiaries of the Group are determined by the PBC. The amounts of mandatory reserve deposits placed with the central banks of those countries or regions outside Chinese mainland are determined by local jurisdictions.
- (ii) Surplus reserves with the PBC include funds for the purpose of cash settlement and other kinds of unrestricted deposits.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**20. DUE FROM BANKS AND OTHER FINANCIAL INSTITUTIONS**

	31 December 2025	31 December 2024
Deposits with banks and other financial institutions:		
Banks operating in Chinese mainland	151,978	247,111
Other financial institutions operating in Chinese mainland	42,379	58,112
Banks and other financial institutions operating outside Chinese mainland	224,832	172,465
Accrued interest	3,889	3,777
	<u>423,078</u>	<u>481,465</u>
Less: Allowance for impairment losses	(676)	(700)
	<u>422,402</u>	<u>480,765</u>
Placements with banks and other financial institutions:		
Banks operating in Chinese mainland	197,146	190,427
Other financial institutions operating in Chinese mainland	232,333	221,474
Banks and other financial institutions operating outside Chinese mainland	409,320	323,836
Accrued interest	4,880	7,021
	<u>843,679</u>	<u>742,758</u>
Less: Allowance for impairment losses	(2,062)	(3,647)
	<u>841,617</u>	<u>739,111</u>
	<u>1,264,019</u>	<u>1,219,876</u>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**21. DERIVATIVE FINANCIAL INSTRUMENTS**

A derivative is a financial instrument, the value of which changes in response to the changes in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other similar variables. The Group uses derivative financial instruments including forwards, swaps, options and futures.

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

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

	31 December 2025			31 December 2024		
	Notional amounts	Fair values		Notional amounts	Fair values	
		Assets	Liabilities		Assets	Liabilities
Exchange rate contracts	11,967,681	74,791	(45,520)	11,227,428	194,358	(158,566)
Interest rate contracts	3,954,950	9,135	(8,665)	5,312,282	13,114	(15,019)
Commodity derivatives and others	3,085,192	46,488	(79,897)	1,347,756	14,889	(24,210)
	<u>19,007,823</u>	<u>130,414</u>	<u>(134,082)</u>	<u>17,887,466</u>	<u>222,361</u>	<u>(197,795)</u>

**(a) Cash flow hedges**

The Group's cash flow hedges consist of interest rate contracts, exchange rate contracts, equity and other derivatives that are used to protect against exposures to variability of future cash flows.

Included in the above derivative financial instruments, those designated as hedging instruments in the Group's cash flow hedges are set out below:

	31 December 2025					Fair values	
	Notional amounts with remaining maturity of					Assets	Liabilities
	Within three months	Over three months but within one year	Over one year but within five years	Over five years	Total		
Interest rate contracts	38	4,264	12,968	101	17,371	44	(2)
Exchange rate contracts	38,692	77,397	422	-	116,511	513	(427)
Equity and other derivatives	385	2,175	15	-	2,575	524	-
	<u>39,115</u>	<u>83,836</u>	<u>13,405</u>	<u>101</u>	<u>136,457</u>	<u>1,081</u>	<u>(429)</u>

	31 December 2024					Fair values	
	Notional amounts with remaining maturity of					Assets	Liabilities
	Within three months	Over three months but within one year	Over one year but within five years	Over five years	Total		
Interest rate contracts	-	949	-	-	949	13	-
Exchange rate contracts	53,203	82,784	4,645	-	140,632	2,213	(1,203)
Equity and other derivatives	38	1,900	58	1	1,997	258	(3)
	<u>53,241</u>	<u>85,633</u>	<u>4,703</u>	<u>1</u>	<u>143,578</u>	<u>2,484</u>	<u>(1,206)</u>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**21. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)**

**(a) Cash flow hedges (continued)**

Details of the Group's hedged risk exposures in cash flow hedges and the corresponding effect on equity are as follows:

	31 December 2025			
	Carrying amount of hedged items		Hedging instruments	
	Assets	Liabilities	Effect on other comprehensive income during the current year	Accumulated effect on other comprehensive income
Securities (i)	13,787	(37,804)	70	(221)
Loans and advances to customers	21,909	-	(96)	36
Others (ii)	41,847	(21,819)	735	(3,419)
	<u>77,543</u>	<u>(59,623)</u>	<u>709</u>	<u>(3,604)</u>

(i) Securities are included in financial investments measured at FVTOCI, financial investments measured at amortised cost, and certificates of deposit.

(ii) Other hedged items are included in due from banks and other financial institutions, other assets, due to banks and other financial institutions, due to customers and other liabilities,.

	31 December 2024			
	Carrying amount of hedged items		Hedging instruments	
	Assets	Liabilities	Effect on other comprehensive income during the current year	Accumulated effect on other comprehensive income
Securities (i)	1,091	(47,818)	(884)	(291)
Loans and advances to customers	41,479	-	(37)	132
Others (ii)	35,349	(16,733)	(524)	(4,154)
	<u>77,919</u>	<u>(64,551)</u>	<u>(1,445)</u>	<u>(4,313)</u>

(i) Securities are included in financial investments measured at FVTOCI, financial investments measured at amortised cost, debt securities issued and certificates of deposit.

(ii) Other hedged items are included in due from banks and other financial institutions, other assets, due to banks and other financial institutions, due to customers, repurchase agreements and other liabilities.

The ineffectiveness recognised in profit or loss that arises from the cash flow hedges was immaterial for 2025 and 2024.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**21. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)**

**(b) Fair value hedges**

Fair value hedges are used by the Group to protect against changes in fair value of financial assets and financial liabilities due to movements in market interest rates and exchange rates. The Group mainly used interest rate contracts, exchange rate contracts, equity and other derivatives as hedging instruments to hedge the interest risk and exchange risk of financial assets and financial liabilities.

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

	2025	2024
(Losses)/gains arising from fair value hedges, net:		
Hedging instruments	(2,655)	(533)
Hedged items	2,565	521
	<u>(90)</u>	<u>(12)</u>

Included in the above derivative financial instruments, those designated as hedging instruments in fair value hedges are set out below:

	31 December 2025					Fair values	
	Notional amounts with remaining maturity of					Assets	Liabilities
	Within three months	Over three months but within one year	Over one year but within five years	Over five years	Total		
Interest rate contracts	2,884	10,989	29,470	6,884	50,227	1,030	(275)
Equity and other derivatives	680	2,580	-	-	3,260	-	(1,597)
<b>Total</b>	<u>3,564</u>	<u>13,569</u>	<u>29,470</u>	<u>6,884</u>	<u>53,487</u>	<u>1,030</u>	<u>(1,872)</u>
	31 December 2024					Fair values	
	Notional amounts with remaining maturity of					Assets	Liabilities
	Within three months	Over three months but within one year	Over one year but within five years	Over five years	Total		
Interest rate contracts	2,362	11,249	34,319	10,692	58,622	2,083	(256)
<b>Total</b>	<u>2,362</u>	<u>11,249</u>	<u>34,319</u>	<u>10,692</u>	<u>58,622</u>	<u>2,083</u>	<u>(256)</u>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**21. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)**

**(b) Fair value hedges (continued)**

Details of the Group's hedged risk exposures in fair value hedges are set out below:

	31 December 2025			
	Carrying amount of hedged items		Accumulated changes to the fair value of hedged items	
	Assets	Liabilities	Assets	Liabilities
Securities (i)	48,127	(1,409)	(828)	1
Loans and advances to customers	809	-	(23)	-
Others (ii)	140	-	1,591	-
	<u>49,076</u>	<u>(1,409)</u>	<u>740</u>	<u>1</u>

- (i) Securities are included in financial investments measured at FVTOCI, financial investments measured at amortised cost, debt securities issued and certificates of deposit.
- (ii) Other hedged items are included in due from banks and other financial institutions and other assets.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**21. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)**

**(b) Fair value hedges (continued)**

Details of the Group's hedged risk exposures in fair value hedges are set out below: (continued)

	31 December 2024			
	Carrying amount of hedged items		Accumulated changes to the fair value of hedged items	
	Assets	Liabilities	Assets	Liabilities
Securities (i)	50,613	(1,276)	(359)	26
Loans and advances to customers	2,825	-	(56)	-
Others (ii)	182	(2,531)	1	13
	<u>53,620</u>	<u>(3,807)</u>	<u>(414)</u>	<u>39</u>

(i) Securities are included in financial investments measured at FVTOCI, financial investments measured at amortised cost and debt securities issued.

(ii) Other hedged items are included in due from banks and other financial institutions, due to banks and other financial institutions and due to customers.

**(c) Net investment hedges**

The Group's consolidated statement of financial position is affected by exchange differences between the functional currency of the Bank and functional currencies of its branches and subsidiaries. The Group hedges such exchange exposures under certain circumstances. Hedging is undertaken by using customer deposits taken in the same currencies as the functional currencies of related branches and subsidiaries which are accounted for as hedges of certain net investments in foreign operations.

As at 31 December 2025, an accumulated net losses from the hedging instrument of RMB756 million was recognised in other comprehensive income (31 December 2024: accumulated net losses of RMB1,587 million). The ineffectiveness recognised in profit or loss that arises from the net investment hedges was immaterial for 2025 and 2024.

**(d) Offsetting of financial instruments**

In accordance with the principle of offsetting financial instruments, the Group offsets certain derivative financial assets, derivative financial liabilities and variation margin and presents the net amounts after offsetting in the financial statements.

	31 December 2025		31 December 2024	
	Gross amounts	Net amounts	Gross amounts	Net amounts
Derivative financial assets	<u>156,794</u>	<u>57,100</u>	<u>83,641</u>	<u>25,144</u>
Derivative financial liabilities	<u>150,873</u>	<u>49,152</u>	<u>83,971</u>	<u>27,845</u>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**21. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)**

**(e) Counterparty credit risk-weighted assets of derivative financial instruments**

The credit risk-weighted assets in respect of the above derivatives of the Group as at the end of the reporting period are as follows:

	31 December 2025	31 December 2024
Counterparty credit default risk-weighted assets	160,167	117,495
Including: Non-netting settled credit default risk-weighted assets	79,356	69,662
Netting settled credit default risk-weighted assets	80,811	47,833
Credit value adjustment risk-weighted assets	46,906	42,112
Central counterparties credit risk-weighted assets	5,085	3,667
	<u>212,158</u>	<u>163,274</u>

**22. REVERSE REPURCHASE AGREEMENTS**

	31 December 2025	31 December 2024
<b>Measured at amortised cost:</b>		
Reverse repurchase agreements-bills	94,859	188,935
Reverse repurchase agreements-securities	417,701	1,000,277
Accrued interest	324	721
Less: Allowance for impairment losses	(32)	(33)
	<u>512,852</u>	<u>1,189,900</u>
<b>Measured at FVTPL:</b>		
Reverse repurchase agreements-securities	17,885	20,317
	<u>530,737</u>	<u>1,210,217</u>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**23. LOANS AND ADVANCES TO CUSTOMERS**

**23.1 Loans and advances to customers by type of measurement:**

	31 December 2025	31 December 2024
<b>Measured at amortised cost:</b>		
Corporate loans and advances	18,809,747	17,460,342
—Loans	18,641,761	17,289,398
—Finance lease	167,986	170,944
Personal loans	9,002,636	8,957,720
Discounted bills	31,090	1,351
Accrued interest	57,858	56,447
	<u>27,901,331</u>	<u>26,475,860</u>
Less: Allowance for impairment losses on loans and advances to customers measured at amortised cost (Note 23.2(a))	(851,750)	(815,072)
	<u>27,049,581</u>	<u>25,660,788</u>
<b>Measured at FVTOCI:</b>		
Corporate loans and advances		
—Loans	24,735	16,876
Discounted bills	2,630,717	1,930,935
Accrued interest	137	177
	<u>2,655,589</u>	<u>1,947,988</u>
<b>Measured at FVTPL:</b>		
Corporate loans and advances		
—Loans	7,189	5,005
	<u>29,712,359</u>	<u>27,613,781</u>

As at 31 December 2025, the Group's allowance for impairment losses on loans and advances to customers measured at FVTOCI was RMB524 million (31 December 2024: RMB425 million), refer to Note 23.2(b).

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**23. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)**

**23.2 Allowance for impairment losses on loans and advances**

(a) **Movements of the allowance for impairment losses on loans and advances to customers measured at amortised cost are as follows:**

	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2025	354,083	156,502	304,487	815,072
Transfer:				
— to stage 1	21,754	(18,212)	(3,542)	-
— to stage 2	(10,433)	12,981	(2,548)	-
— to stage 3	(6,356)	(32,304)	38,660	-
(Reverse)/charge for the year	(10,175)	49,820	109,882	149,527
Write-offs and transfer out	-	-	(119,958)	(119,958)
Recoveries of loans and advances previously written off	-	-	11,546	11,546
Other movements	794	(2,105)	(3,126)	(4,437)
Balance at 31 December 2025	<u>349,667</u>	<u>166,682</u>	<u>335,401</u>	<u>851,750</u>
	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2024	342,730	156,240	257,031	756,001
Transfer:				
— to stage 1	20,221	(16,982)	(3,239)	-
— to stage 2	(11,518)	15,804	(4,286)	-
— to stage 3	(5,101)	(24,282)	29,383	-
Charge for the year	6,808	21,323	94,312	122,443
Write-offs and transfer out	-	-	(85,127)	(85,127)
Recoveries of loans and advances previously written off	-	-	13,856	13,856
Other movements	943	4,399	2,557	7,899
Balance at 31 December 2024	<u>354,083</u>	<u>156,502</u>	<u>304,487</u>	<u>815,072</u>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**23. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)**

**23.2 Allowance for impairment losses on loans and advances (continued)**

**(b) Movements of the allowance for impairment losses on loans and advances to customers measured at FVTOCI are as follows:**

	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2025	353	51	21	425
Transfer:				
— to stage 1	-	-	-	-
— to stage 2	-	-	-	-
— to stage 3	-	(20)	20	-
(Reverse)/charge for the year	(142)	86	149	93
Write-offs and transfer out	-	-	-	-
Other movements	31	19	(44)	6
Balance at 31 December 2025	<u>242</u>	<u>136</u>	<u>146</u>	<u>524</u>
	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2024	361	-	29	390
Transfer:				
— to stage 1	-	-	-	-
— to stage 2	(4)	4	-	-
— to stage 3	-	-	-	-
(Reverse)/charge for the year	(1)	46	(9)	36
Write-offs and transfer out	-	-	-	-
Other movements	(3)	1	1	(1)
Balance at 31 December 2024	<u>353</u>	<u>51</u>	<u>21</u>	<u>425</u>

In 2025, the changes of gross carrying amounts of loans and advances to customers with a significant impact on the Group's impairment allowance were mainly resulted from the credit business in Chinese mainland, including: the gross carrying amount of domestic branches loans and advances to customers transferred from Stage 1 to Stage 2 was RMB252,288 million (2024: RMB235,494 million); the gross carrying amount of domestic branches loans transferred from Stage 2 to Stage 3 was RMB83,386 million (2024: RMB68,453 million); the gross carrying amount of domestic branches loans transferred from Stage 2 to Stage 1 was RMB89,496 million (2024: RMB78,229 million). The changes of impairment allowance resulting from loans transferred from Stage 1 to Stage 3, Stage 3 to Stage 1 and Stage 3 to Stage 2 were not significant (2024: not significant).

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**24. FINANCIAL INVESTMENTS**

		31 December 2025	31 December 2024
Financial investments measured at FVTPL	(a)	943,953	1,010,439
Financial investments measured at FVTOCI	(b)	3,823,279	3,291,152
Financial investments measured at amortised cost	(c)	12,140,183	9,851,985
		<u>16,907,415</u>	<u>14,153,576</u>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**24. FINANCIAL INVESTMENTS (CONTINUED)**

**(a) Financial investments measured at FVTPL**

	31 December 2025	31 December 2024
<b>Financial investments held for trading</b>		
Debt securities (analysed by type of issuers):		
Governments and central banks	277,067	395,728
Policy banks	44,648	27,272
Banks and other financial institutions	102,671	73,431
Corporate entities	86,128	67,721
	<u>510,514</u>	<u>564,152</u>
Equity investments	19,227	18,048
	<u>529,741</u>	<u>582,200</u>
<b>Financial investments designated as at FVTPL</b>		
Debt securities (analysed by type of issuers):		
Governments and central banks	8,725	6,904
Policy banks	2,384	-
Banks and other financial institutions	548	184
Corporate entities	-	653
	<u>11,657</u>	<u>7,741</u>
Funds and other investments	28,224	34,735
	<u>39,881</u>	<u>42,476</u>
<b>Other financial investments measured at FVTPL</b>		
Debt securities (analysed by type of issuers):		
Policy banks	463	8,416
Banks and other financial institutions	82,916	156,979
Corporate entities	688	1,693
	<u>84,067</u>	<u>167,088</u>
Equity investments	117,994	93,719
Funds and other investments	172,270	124,956
	<u>374,331</u>	<u>385,763</u>
	<u>943,953</u>	<u>1,010,439</u>
<b>Analysed into:</b>		
Debt securities:		
Listed in Hong Kong SAR	5,799	4,375
Listed outside Hong Kong SAR	38,347	29,227
Unlisted	562,092	705,379
	<u>606,238</u>	<u>738,981</u>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**24. FINANCIAL INVESTMENTS (CONTINUED)**

**(a) Financial investments measured at FVTPL (continued)**

	31 December 2025	31 December 2024
<b>Analysed into: (continued)</b>		
Equity investments:		
Listed in Hong Kong SAR	6,055	3,582
Listed outside Hong Kong SAR	25,277	24,348
Unlisted	105,889	83,837
	<u>137,221</u>	<u>111,767</u>
Funds and other investments:		
Listed in Hong Kong SAR	5,222	4,913
Listed outside Hong Kong SAR	4,789	5,791
Unlisted	190,483	148,987
	<u>200,494</u>	<u>159,691</u>
	<u>943,953</u>	<u>1,010,439</u>

**(b) Financial investments measured at FVTOCI**

	31 December 2025	31 December 2024
Debt securities (analysed by type of issuers):		
Governments and central banks	1,529,473	1,673,679
Policy banks	913,419	512,411
Banks and other financial institutions	496,640	398,174
Corporate entities	746,110	588,449
Accrued interest	35,102	27,787
	<u>3,720,744</u>	<u>3,200,500</u>
Other debt investments	4,870	5,426
Equity investments	97,665	85,226
	<u>3,823,279</u>	<u>3,291,152</u>
<b>Analysed into:</b>		
Debt securities:		
Listed in Hong Kong SAR	147,838	146,519
Listed outside Hong Kong SAR	468,668	389,928
Unlisted	3,104,238	2,664,053
	<u>3,720,744</u>	<u>3,200,500</u>
Other debt investments:		
Unlisted	4,870	5,426
Equity investments:		
Listed in Hong Kong SAR	24,255	11,398
Listed outside Hong Kong SAR	15,713	4,899
Unlisted	57,697	68,929
	<u>97,665</u>	<u>85,226</u>
	<u>3,823,279</u>	<u>3,291,152</u>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**24. FINANCIAL INVESTMENTS (CONTINUED)**

**(b) Financial investments measured at FVTOCI (continued)**

As at 31 December 2025, the accumulated unrealised fair value gains of the Group's debt securities measured at FVTOCI was RMB63,140 million, and the accumulated unrealised fair value losses of the Group's other debt investments measured at FVTOCI was RMB174 million respectively (31 December 2024: the accumulated unrealised profit of RMB92,821 million and RMB31 million).

The Group designates certain non-trading equity investments as financial investments measured at FVTOCI. As at 31 December 2025, the accumulated unrealised fair value gains of equity investments was RMB7,945 million (31 December 2024: RMB8,184 million). In 2025, dividend income from such equity investments was RMB3,480million (2024: RMB3,067 million). There was dividend income of RMB783 million from equity investments derecognised (2024: RMB914 million). The value of equity investments disposed of was RMB14,884 million (2024: RMB7,816 million) and the cumulative gains transferred into retained earnings from other comprehensive income after disposal was RMB1,318 million (2024: RMB674 million).

Allowance for impairment losses on financial investments measured at FVTOCI is recognised in other comprehensive income without decreasing the carrying amount of financial investments presented in the consolidated statement of financial position, and any impairment gain or loss is recognised in the profit or loss. Movements of the allowance for impairment losses on financial investments measured at FVTOCI are as follows:

	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2025	4,565	635	3,825	9,025
Transfer:				
— to stage 1	-	-	-	-
— to stage 2	(35)	35	-	-
— to stage 3	-	-	-	-
Charge/(reverse) for the year	416	(259)	43	200
Other movements	(102)	(27)	(500)	(629)
Balance at 31 December 2025	<u>4,844</u>	<u>384</u>	<u>3,368</u>	<u>8,596</u>
	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2024	4,835	964	3,769	9,568
Transfer:				
— to stage 1	-	-	-	-
— to stage 2	-	-	-	-
— to stage 3	-	-	-	-
Reverse for the year	(277)	(355)	(43)	(675)
Other movements	7	26	99	132
Balance at 31 December 2024	<u>4,565</u>	<u>635</u>	<u>3,825</u>	<u>9,025</u>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**24. FINANCIAL INVESTMENTS (CONTINUED)**

**(c) Financial investments measured at amortised cost**

	31 December 2025	31 December 2024
Debt securities (analysed by type of issuers):		
Governments and central banks (i)	10,781,870	8,379,953
Policy banks	409,508	549,266
Banks and other financial institutions (ii)	777,686	771,310
Corporate entities	84,539	68,060
Accrued interest	103,527	104,906
	<u>12,157,130</u>	<u>9,873,495</u>
Other investments (iii)	19,224	16,877
Accrued interest	32	16
	<u>19,256</u>	<u>16,893</u>
	12,176,386	9,890,388
Less: Allowance for impairment losses	(36,203)	(38,403)
	<u>12,140,183</u>	<u>9,851,985</u>
<b>Analysed into:</b>		
Debt securities:		
Listed in Hong Kong SAR	34,314	36,281
Listed outside Hong Kong SAR	286,949	233,832
Unlisted	11,803,093	9,568,021
	<u>12,124,356</u>	<u>9,838,134</u>
Other investments:		
Unlisted	15,827	13,851
	<u>15,827</u>	<u>13,851</u>
	12,140,183	9,851,985
Market value of listed securities	<u>322,288</u>	<u>269,046</u>

- (i) This includes a special government bond, which is a non-negotiable bond with a nominal value of RMB85,000 million (31 December 2024: RMB85,000 million) issued by the Ministry of Finance of the People's Republic of China (the "MOF") to the Bank in 1998. The bond will mature in 2028 and bears interest at a fixed rate of 2.25% per annum.
- (ii) This includes Huarong bonds of RMB90,309 million (31 December 2024: RMB90,309 million). Huarong bonds are a series of long-term bonds issued by the former China Huarong Asset Management Co., Ltd. ("Huarong") in the year of 2000 and 2001 to the Bank, with an aggregate amount of RMB312,996 million. The proceeds from the issuance of the bonds were used to purchase non-performing loans of the Bank. The bonds are non-negotiable, with a tenure of 10 years and bear interest at a fixed rate of 2.25% per annum. The MOF provides funding support for the repayment of principal and interest of the bonds. In 2010, the Bank received a notice from the MOF that the maturity dates of the Huarong bonds were extended for ten years. In 2020, the Bank received a notice from the MOF to adjust the interest rate of the Huarong bonds, starting from 1 January 2020. Interest rate would be determined on a yearly basis with reference to the average level of five-year government bond yield in the previous year. In January 2021, the Bank received a notice from the MOF that the maturity dates of Huarong bonds were further extended for ten years. As at 31 December 2025, the Bank had received accumulated early repayments amounting to RMB222,687 million (31 December 2024: RMB222,687 million).
- (iii) Other investments include debt investment plans, asset management plans and trust plans with fixed or determinable payments. They will mature from March 2026 to August 2039 and bear interest at rates ranging from 2.45% to 4.83% per annum.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**24. FINANCIAL INVESTMENTS (CONTINUED)**

**(c) Financial investments measured at amortised cost (continued)**

Movements of the allowance for impairment losses on financial investments measured at amortised cost are as follows:

	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2025	35,540	11	2,852	38,403
Transfer:				
—to stage 1	-	-	-	-
—to stage 2	(160)	160	-	-
—to stage 3	-	-	-	-
(Reverse)/charge for the year	(2,224)	134	-	(2,090)
Other movements	43	-	(153)	(110)
Balance at 31 December 2025	<u>33,199</u>	<u>305</u>	<u>2,699</u>	<u>36,203</u>
	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2024	36,009	11	2,699	38,719
Transfer:				
—to stage 1	-	-	-	-
—to stage 2	-	-	-	-
—to stage 3	-	-	-	-
Reverse for the year	(507)	-	-	(507)
Other movements	38	-	153	191
Balance at 31 December 2024	<u>35,540</u>	<u>11</u>	<u>2,852</u>	<u>38,403</u>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**25. INVESTMENTS IN SUBSIDIARIES**

	31 December 2025	31 December 2024
Listed investments, at cost	2,712	2,712
Unlisted investments, at cost	175,471	160,571
	<u>178,183</u>	<u>163,283</u>

Particulars of the Group's principal subsidiaries as at the end of the reporting period are as follows:

Name	Percentage of equity interest %		Nominal value of issued share/ paid-in capital		Place of incorporation/ registration and operation	Principal activities
	31 December 2025	31 December 2024	31 December 2025			
Industrial and Commercial Bank of China (Asia) Limited ("ICBC Asia")	100	100	HKD44,188 million	HKD54,738 million	Hong Kong SAR, the PRC	Commercial banking
ICBC International Holdings Limited ("ICBC International")	100	100	HKD5,963 million	HKD5,963 million	Hong Kong SAR, the PRC	Investment banking
Industrial and Commercial Bank of China (Macau) Limited ("ICBC Macau")	89.33	89.33	MOP589 million	MOP12,064 million	Macao SAR, the PRC	Commercial banking
PT. Bank ICBC Indonesia	98.61	98.61	IDR3,706,100 million	USD361 million	Jakarta, Indonesia	Commercial banking
Industrial and Commercial Bank of China (Malaysia) Berhad	100	100	MYR833 million	MYR833 million	Kuala Lumpur, Malaysia	Commercial banking
Industrial and Commercial Bank of China (Thai) Public Company Limited ("ICBC Thai")	97.98	97.98	THB20,107 million	THB23,711 million	Bangkok, Thailand	Commercial banking
Industrial and Commercial Bank of China (Almaty) Joint Stock Company	100	100	KZT8,933 million	KZT8,933 million	Almaty, Kazakhstan	Commercial banking
Industrial and Commercial Bank of China (New Zealand) Limited ("ICBC New Zealand")	100	100	NZD234 million	NZD234 million	Auckland, New Zealand	Commercial banking
Industrial and Commercial Bank of China (Europe) S.A.	100	100	EUR437 million	EUR437 million	Luxembourg, United Kingdom	Commercial banking
ICBC (London) PLC	100	100	USD200 million	USD200 million	London, United Kingdom	Commercial banking
ICBC Standard Bank PLC("Standard Bank")	60	60	USD1,083 million	USD839 million	London, United Kingdom	Banking Commercial
Bank ICBC (joint stock company)	100	100	RUB10,810 million	RUB10,810 million	Moscow, Russia	Commercial banking
ICBC Turkey Bank Anonim Şirketi	92.84	92.84	TRY16,747 million	USD425 million	Istanbul, Turkey	Commercial banking
ICBC Austria Bank GmbH	100	100	EUR200 million	EUR200 million	Vienna, Austria	Commercial banking
Industrial and Commercial Bank of China (USA) NA	80	80	USD369 million	USD306 million	New York, United States	Commercial banking Broker
Industrial and Commercial Bank of China Financial Services LLC	100	100	USD50 million	USD50.25 million	Delaware and New York, United States	dealer and margin trading

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**25. INVESTMENTS IN SUBSIDIARIES (CONTINUED)**

Particulars of the Group's principal subsidiaries as at the end of the reporting period are as follows: (continued)

Name	Percentage of equity interest %		Nominal value of issued share/ paid-in capital		Amount invested by the bank	Place of incorporation/ registration and operation	Principal activities
	31 December 2025	31 December 2024	31 December 2025				
Industrial and Commercial Bank of China (Canada) ("ICBC Canada")	80	80	CAD208 million	CAD218.66 million		Toronto, Canada	Commercial banking
Industrial and Commercial Bank of China Mexico S.A.	100	100	MXN1,597 million	MXN1,597 million		Mexico City, Mexico	Commercial banking
Industrial and Commercial Bank of China (Brasil) S.A.	100	100	Real202 million	Real202 million		Sao Paulo, Brazil	Commercial banking
Industrial and Commercial Bank of China (Argentina) S.A.U	100	100	ARS482,787 million	USD904 million		Buenos Aires, Argentina	Commercial banking
ICBC PERU BANK	100	100	USD120 million	USD120 million		Lima, Peru	Commercial banking
ICBC UBS Asset Management Co., Ltd. *	80	80	RMB200 million	RMB433 million		Beijing, the PRC	Fund management
ICBC Financial Leasing Co., Ltd. * ("ICBC Leasing")	100	100	RMB33,000 million	RMB26,000million		Tianjin, the PRC	Leasing
ICBC-AXA Assurance Co., Ltd. ("ICBC-AXA") *	60	60	RMB12,505 million	RMB7,980 million		Shanghai, the PRC	Insurance Financial
ICBC Financial Asset Investment Co., Ltd.* ("ICBC Investment")	100	100	RMB27,000 million	RMB27,000 million		Nanjing, the PRC	asset investment
ICBC Wealth Management Co., Ltd.*	100	100	RMB16,000 million	RMB16,000 million		Beijing, the PRC	Wealth management
Zhejiang Pinghu ICBC Rural Bank Co., Ltd. *	60	60	RMB200 million	RMB120 million		Zhejiang, the PRC	Commercial banking

\* These subsidiaries incorporated in Chinese mainland are all limited liability companies.

As at 31 December 2025 and 31 December 2024, voting rights of the subsidiaries of the Group were in line with the Group's equity interests.

The above table lists the principal subsidiaries of the Bank. To give details of other subsidiaries would, in the opinion of the management, result in particulars of excessive length.

There was no subsidiary of the Group which had material non-controlling interests during the reporting period.

**26. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES**

	31 December 2025	31 December 2024
Interests in associates	76,527	71,072
Interests in joint ventures	1,786	2,285
	<u>78,313</u>	<u>73,357</u>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**26. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)**

	31 December 2025	31 December 2024
Share of net assets	63,719	59,428
Goodwill	15,113	14,448
	<u>78,832</u>	<u>73,876</u>
Less: Allowance for impairment losses	(519)	(519)
	<u>78,313</u>	<u>73,357</u>

**(a) Carrying value of the Group's associates and joint ventures are as follows:**

	31 December 2025	31 December 2024
Standard Bank	30,557	26,946
Others	47,756	46,411
	<u>78,313</u>	<u>73,357</u>

Standard Bank is a listed commercial bank registered in Johannesburg, the Republic of South Africa with an issued capital of ZAR165 million and a strategic partner of the Group. As at 31 December 2025, the Group's equity interest and voting rights in Standard Bank were both 19.74% (31 December 2024: 19.59%).

The accounting policies of Standard Bank are consistent with those of the Group. Its financial information is significant to the Group and summarised as follows:

	As at/year ended 31 December 2025	As at/year ended 31 December 2024
<b>The associate</b>		
Assets	1,522,554	1,271,730
Liabilities	1,391,184	1,157,892
Net assets	131,370	113,838
Profit from continuing operations	20,646	17,009
<b>Equity method of the associate</b>		
Net assets of the associate attributable to the parent company	111,603	97,422
Group's effective interest	19.74%	19.59%
Group's share of net assets of the associate	<u>22,030</u>	<u>19,085</u>
Goodwill	<u>8,875</u>	<u>8,209</u>
Closing balance of the Group's interest in Standard Bank in the consolidated statement of financial position	<u>30,905</u>	<u>27,294</u>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**26. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)**

**(b) Movements of associates and joint ventures investments of the Group are as follows:**

	Book value at beginning of the year	Allowance for impairment at beginning of the year	Movements during the year					Book value at end of the year	Allowance for impairment at end of the year	
			Investment increase	Investment decrease	Investment income recognised under the equity method	Other comprehensive income	Declared distribution of cash dividends or profits			Other
Joint ventures	2,285	-	172	(26)	(455)	-	(52)	(138)	1,786	-
Associates										
Standard Bank	26,946	(348)	-	-	3,896	(344)	(2,034)	2,093	30,557	(348)
Others	44,126	(171)	4,300	(2,655)	1,333	(2)	(1,168)	36	45,970	(171)
Subtotal	71,072	(519)	4,300	(2,655)	5,229	(346)	(3,202)	2,129	76,527	(519)
Total	73,357	(519)	4,472	(2,681)	4,774	(346)	(3,254)	1,991	78,313	(519)

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**27. PROPERTY AND EQUIPMENT**

	Properties and buildings	Construction in progress	Leasehold improvements	Office equipment and motor vehicles	Aircraft and vessels	Total
<b>Cost:</b>						
At 1 January 2024	195,703	24,220	14,980	83,758	203,773	522,434
Additions	1,383	10,449	811	7,142	17,701	37,486
CIP transfer in/(out)	3,291	(6,099)	-	121	2,687	-
Disposals and other movements	7,099	(7,418)	(87)	(3,401)	(8,939)	(12,746)
At 31 December 2024 and 1 January 2025	207,476	21,152	15,704	87,620	215,222	547,174
Additions	654	11,817	767	6,766	17,529	37,533
CIP transfer in/(out)	4,713	(13,370)	-	71	8,586	-
Disposals and other movements	(2,238)	(451)	(254)	(6,439)	(29,249)	(38,631)
At 31 December 2025	210,605	19,148	16,217	88,018	212,088	546,076
<b>Accumulated depreciation and allowance for impairment losses:</b>						
At 1 January 2024	87,937	34	13,120	68,149	54,316	223,556
Depreciation charge for the year	7,045	-	804	7,456	7,083	22,388
Impairment charge for the year	-	-	-	-	891	891
Disposals and other movements	2,780	1	(96)	(3,069)	(1,664)	(2,048)
At 31 December 2024 and 1 January 2025	97,762	35	13,828	72,536	60,626	244,787
Depreciation charge for the year	7,306	-	795	7,056	7,255	22,412
Impairment charge for the year	-	1	-	4	1,043	1,048
Disposals and other movements	(984)	(2)	(195)	(6,365)	(8,461)	(16,007)
At 31 December 2025	104,084	34	14,428	73,231	60,463	252,240
<b>Carrying amount:</b>						
At 31 December 2024	109,714	21,117	1,876	15,084	154,596	302,387
At 31 December 2025	106,521	19,114	1,789	14,787	151,625	293,836

As at 31 December 2025, the process of obtaining the legal titles for the Group's properties and buildings with an aggregate carrying amount of RMB6,353 million (31 December 2024: RMB5,404 million) was still in progress. Management is of the view that the aforesaid matter would neither affect the rights of the Group to these assets nor have any significant impact on the business operation of the Group.

As at 31 December 2025, the carrying amount of aircraft and vessels leased out by the Group under operating leases was RMB151,625 million (31 December 2024: RMB154,596 million).

As at 31 December 2025, the carrying amount of aircraft and vessels owned by the Group that have been pledged as collateral for liabilities due to banks and other financial institutions was RMB19,793 million (31 December 2024: RMB28,043 million).

As at 31 December 2025, the carrying amount of aircraft and vessel construction in progress was RMB14,756 million (31 December 2024: RMB14,699 million).

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**28. DEFERRED TAX ASSETS AND LIABILITIES**

**(a) Analysed by nature**

Deferred tax assets:

	31 December 2025		31 December 2024	
	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)
Allowance for impairment losses	485,136	120,376	474,566	117,825
Change in fair value of financial instruments measured at FVTPL	(29,298)	(7,347)	(40,707)	(10,183)
Change in fair value of financial instruments measured at FVTOCI	(59,032)	(14,537)	(112,174)	(28,101)
Accrued staff costs	47,289	11,862	45,935	11,477
Others	(24,192)	(6,065)	(3,861)	(971)
	<u>419,903</u>	<u>104,289</u>	<u>363,759</u>	<u>90,047</u>

Deferred tax liabilities:

	31 December 2025		31 December 2024	
	Taxable/ (deductible) temporary differences	Deferred tax liabilities/ (assets)	Taxable/ (deductible) temporary differences	Deferred tax liabilities/ (assets)
Allowance for impairment losses	(1,105)	(270)	(90)	(23)
Change in fair value of financial instruments measured at FVTPL	9,745	2,368	7,573	1,693
Change in fair value of financial instruments measured at FVTOCI	14,745	3,670	(333)	(81)
Others	3,904	783	10,733	2,689
	<u>27,289</u>	<u>6,551</u>	<u>17,883</u>	<u>4,278</u>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**28. DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)**

**(b) Movements of deferred income tax**

Deferred tax assets:

	1 January 2025	Recognised in profit or loss	Recognised in other comprehensive income	31 December 2025
Allowance for impairment losses	117,825	2,551	-	120,376
Change in fair value of financial instruments measured at FVTPL	(10,183)	2,836	-	(7,347)
Change in fair value of financial instruments measured at FVTOCI	(28,101)	-	13,564	(14,537)
Accrued staff costs	11,477	385	-	11,862
Others	(971)	(3,220)	(1,874)	(6,065)
	<u>90,047</u>	<u>2,552</u>	<u>11,690</u>	<u>104,289</u>

Deferred tax liabilities:

	1 January 2025	Recognised in profit or loss	Recognised in other comprehensive income	31 December 2025
Allowance for impairment losses	(23)	(247)	-	(270)
Change in fair value of financial instruments measured at FVTPL	1,693	675	-	2,368
Change in fair value of financial instruments measured at FVTOCI	(81)	-	3,751	3,670
Others	2,689	(1,906)	-	783
	<u>4,278</u>	<u>(1,478)</u>	<u>3,751</u>	<u>6,551</u>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**28. DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)**

**(b) Movements of deferred income tax (continued)**

Deferred tax assets:

	1 January 2024	Recognised in profit or loss	Recognised in other comprehensive income	31 December 2024
Allowance for impairment losses	111,767	6,058	-	117,825
Change in fair value of financial instruments measured at FVTPL	(4,221)	(5,962)	-	(10,183)
Change in fair value of financial instruments measured at FVTOCI	(9,222)	-	(18,879)	(28,101)
Accrued staff costs	11,623	(146)	-	11,477
Others	(5,278)	(715)	5,022	(971)
	<u>104,669</u>	<u>(765)</u>	<u>(13,857)</u>	<u>90,047</u>

Deferred tax liabilities:

	1 January 2024	Recognised in profit or loss	Recognised in other comprehensive income	31 December 2024
Allowance for impairment losses	(38)	15	-	(23)
Change in fair value of financial instruments measured at FVTPL	1,701	(8)	-	1,693
Change in fair value of financial instruments measured at FVTOCI	64	-	(145)	(81)
Others	2,203	248	238	2,689
	<u>3,930</u>	<u>255</u>	<u>93</u>	<u>4,278</u>

As at 31 December 2025 and 31 December 2024, the Group did not have significant unrecognised deferred tax assets.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**29. OTHER ASSETS**

	31 December 2025	31 December 2024
Settlement and clearing balances	305,933	238,962
Precious metals	330,867	208,907
Right-of-use assets (a)	23,439	24,466
Land use rights	13,454	13,960
Goodwill (b)	19,658	19,566
Advance payments	1,207	1,197
Repossessed assets (c)	6,035	6,186
Interest receivable	3,749	3,684
Others	92,019	110,303
	<u>796,361</u>	<u>627,231</u>
Less: Allowance for impairment losses	<u>(14,528)</u>	<u>(13,998)</u>
	<u>781,833</u>	<u>613,233</u>

**(a) Right-of-use assets**

	Properties and buildings	Aircraft and vessels	Office equipment and motor vehicles	Total
<b>Cost:</b>				
At 1 January 2024	39,191	14,651	1,608	55,450
Additions	6,983	-	13	6,996
Disposals and other movements	<u>(2,567)</u>	<u>(3,888)</u>	<u>(1,162)</u>	<u>(7,617)</u>
At 31 December 2024 and 1 January 2025	43,607	10,763	459	54,829
Additions	6,361	-	157	6,518
Disposals and other movements	<u>(4,089)</u>	<u>(239)</u>	<u>(69)</u>	<u>(4,397)</u>
At 31 December 2025	<u>45,879</u>	<u>10,524</u>	<u>547</u>	<u>56,950</u>
<b>Accumulated depreciation:</b>				
At 1 January 2024	23,565	2,791	556	26,912
Depreciation charge for the year	6,410	536	74	7,020
Disposals and other movements	<u>(2,508)</u>	<u>(845)</u>	<u>(216)</u>	<u>(3,569)</u>
At 31 December 2024 and 1 January 2025	27,467	2,482	414	30,363
Depreciation charge for the year	6,234	346	57	6,637
Disposals and other movements	<u>(3,375)</u>	<u>(58)</u>	<u>(56)</u>	<u>(3,489)</u>
At 31 December 2025	<u>30,326</u>	<u>2,770</u>	<u>415</u>	<u>33,511</u>
<b>Allowance for impairment losses:</b>				
At 1 January 2024	36	530	-	566
Other movements	1	(89)	-	(88)
At 31 December 2024 and 1 January 2025	37	441	-	478
Impairment charge for the year	39	-	-	39
Other movements	<u>(16)</u>	<u>(10)</u>	<u>-</u>	<u>(26)</u>
At 31 December 2025	<u>60</u>	<u>431</u>	<u>-</u>	<u>491</u>
<b>Carrying amount:</b>				
At 31 December 2024	<u>16,103</u>	<u>7,840</u>	<u>45</u>	<u>23,988</u>
At 31 December 2025	<u>15,493</u>	<u>7,323</u>	<u>132</u>	<u>22,948</u>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**29. OTHER ASSETS (CONTINUED)**

**(b) Goodwill**

	31 December 2025	31 December 2024
At 1 January	19,566	9,357
Additions	412	9,961
Exchange difference	(320)	248
Subtotal	<u>19,658</u>	<u>19,566</u>
Less: Allowance for impairment losses	(796)	(401)
Net carrying amount	<u>18,862</u>	<u>19,165</u>

The goodwill is attributable to the expected synergies arising from business combination. Goodwill arising from business combinations has been reasonably allocated to the CGU, which is not larger than the reportable segment of the Group, for impairment testing. The recoverable amount of the CGU is determined based on the discounted future cash flows of the CGU. The cash flow projections are based on financial forecasts approved by management of the institutions. The average growth rates are projected based on the similar rates which do not exceed the long-term average growth rate for the business in which the CGU operates in. The discount rate is the before-tax rate and reflects the specific risk associated with the CGU.

**(c) Repossessed assets**

	31 December 2025	31 December 2024
Properties and buildings	5,759	5,604
Others	276	582
Subtotal	<u>6,035</u>	<u>6,186</u>
Less: Allowance for impairment losses	(2,862)	(2,974)
	<u>3,173</u>	<u>3,212</u>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**30. IMPAIRMENT ALLOWANCE**

	At 1 January 2025	(Reverse)/ charge for the year	Write-offs and transfer out	Recoveries of previous write-offs	Others	At 31 December 2025
Due from banks and other financial institutions	4,347	(1,575)	-	-	(34)	2,738
Reverse repurchase agreements	33	(2)	-	-	1	32
Loans and advances to customers	815,497	149,620	(119,958)	11,546	(4,431)	852,274
Financial investments	47,428	(1,890)	(504)	-	(235)	44,799
Investments in associates and joint ventures	519	-	-	-	-	519
Property and equipment	12,802	1,048	(2,516)	-	(150)	11,184
Credit commitments	25,159	(830)	-	-	(215)	24,114
Others	41,553	(23,658)	(2,857)	-	(458)	14,580
<b>Total</b>	<b>947,338</b>	<b>122,713</b>	<b>(125,835)</b>	<b>11,546</b>	<b>(5,522)</b>	<b>950,240</b>

	At 1 January 2024	Charge/ (reverse) for the year	Write-offs and transfer out	Recoveries of previous write-offs	Others	At 31 December 2024
Due from banks and other financial institutions	3,560	586	-	-	201	4,347
Reverse repurchase agreements	97	(64)	-	-	-	33
Loans and advances to customers	756,391	122,479	(85,127)	13,856	7,898	815,497
Financial investments	48,287	(1,182)	(57)	-	380	47,428
Investments in associates and joint ventures	519	-	-	-	-	519
Property and equipment	11,522	891	-	-	389	12,802
Credit commitments	24,185	690	-	-	284	25,159
Others	39,691	3,263	(1,499)	-	98	41,553
<b>Total</b>	<b>884,252</b>	<b>126,663</b>	<b>(86,683)</b>	<b>13,856</b>	<b>9,250</b>	<b>947,338</b>

**31. DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS**

	31 December 2025	31 December 2024
<b>Deposits:</b>		
Banks and other financial institutions operating in Chinese mainland	4,358,205	3,841,081
Banks and other financial institutions operating outside Chinese mainland	178,342	143,455
Accrued interest	32,149	36,001
	<u>4,568,696</u>	<u>4,020,537</u>
<b>Money market takings:</b>		
Banks and other financial institutions operating in Chinese mainland	305,753	273,806
Banks and other financial institutions operating outside Chinese mainland	224,171	288,602
Accrued interest	4,627	8,020
	<u>534,551</u>	<u>570,428</u>
	<u>5,103,247</u>	<u>4,590,965</u>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**32. FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS**

	31 December 2025	31 December 2024
Financial liabilities related to precious metals and account-based investment products (i)	133,111	61,362
Debt securities issued (i)	12,550	10,562
Others	4,535	4,132
	<u>150,196</u>	<u>76,056</u>

- (i) Financial liabilities related to precious metals and account-based investment products, and certain issued debt securities have been matched with precious metals or derivatives of the Group as part of a documented risk management strategy to mitigate market risk. An accounting mismatch would arise if these financial liabilities were accounted for at amortised cost, whereas the related precious metals or derivatives were measured at fair value with movements in fair value taken through the statement of profit or loss. By designating these financial liabilities at FVTPL, the movement in their fair values is recorded in the statement of profit or loss. As at 31 December 2025 and 31 December 2024, the difference between the fair values of the financial liabilities related to precious metals, account-based investment products and issued debt securities and the amounts that the Group would be contractually required to pay to the holders of the financial liabilities related to precious metals, account-based investment products and issued debt securities upon maturity was not significant.

In 2025 and 2024, there were no significant changes in the credit spread of the Group and therefore the amounts of changes in fair value of the financial liabilities arising from changes in the credit risk and the accumulated amounts as at the end of the respective years were not significant. The changes in fair value of the financial liabilities were mainly attributable to changes in other market factors.

**33. REPURCHASE AGREEMENTS**

	31 December 2025	31 December 2024
Measured at amortised cost:		
Repurchase agreements-bills	16,752	12,096
Repurchase agreements-securities	2,503,997	1,493,317
Accrued interest	14,933	17,427
Subtotal	<u>2,535,682</u>	<u>1,522,840</u>
Measured at FVTPL:		
Repurchase agreements-securities	694	715
Total	<u>2,536,376</u>	<u>1,523,555</u>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**34. CERTIFICATES OF DEPOSIT**

Certificates of deposit issued by certain of the Bank's overseas branches and subsidiaries are measured at amortised cost.

**35. DUE TO CUSTOMERS**

	31 December 2025	31 December 2024
Demand deposits:		
Corporate customers	7,519,087	7,158,295
Personal customers	6,935,021	6,463,845
	<u>14,454,108</u>	<u>13,622,140</u>
Time deposits:		
Corporate customers	8,831,506	8,349,110
Personal customers	13,269,598	12,077,665
	<u>22,101,104</u>	<u>20,426,775</u>
Others	251,921	228,721
Accrued interest	504,645	559,337
	<u>37,311,778</u>	<u>34,836,973</u>

As at 31 December 2025, the Group's pledged deposits included in above amounted to RMB169,335 million (31 December 2024: RMB142,531 million).

**36. DEBT SECURITIES ISSUED**

	31 December 2025	31 December 2024
Subordinated bonds, tier 2 capital bonds and total loss-absorbing capacity eligible non-capital bonds	(a)	
Issued by the Bank	788,003	732,586
Issued by subsidiaries	5,009	6,058
Accrued interest	11,578	10,617
	<u>804,590</u>	<u>749,261</u>
Other debt securities	(b)	
Issued by the Bank	1,354,643	1,192,573
Issued by subsidiaries	55,774	84,843
Accrued interest	1,800	2,045
	<u>1,412,217</u>	<u>1,279,461</u>
	<u>2,216,807</u>	<u>2,028,722</u>

As at 31 December 2025, the amount of debt securities issued that were due within one year was RMB1,286,883 million (31 December 2024: RMB1,114,660 million).

In 2025, the Group has not had any defaults in respect of payments of principal or interest or other breaches with respect to the bonds (2024: Nil).

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**36. DEBT SECURITIES ISSUED (CONTINUED)**

**(a) Subordinated bonds, tier 2 capital bonds and total loss-absorbing capacity eligible non-capital bonds**

The Bank:

As approved by the PBC and the NFRA, the Bank issued callable subordinated bonds, tier 2 capital bonds and total loss-absorbing capacity eligible non-capital bonds (TLAC non-capital Bonds) in the National Interbank Bond Market through open market bidding. These subordinated bonds, tier 2 capital bonds and TLAC non-capital Bonds were traded on the National Interbank Bond Market. The relevant information is set out below:

Name	Issue date	Issued and		Coupon rate	Value date	Maturity date	Circulation date
		Issue price (In RMB)	nominal amount (In RMB million)				
11 ICBC 01	29/06/2011	100 Yuan	38,000	5.56%	30/06/2011	30/06/2031	30/08/2011
19 ICBC 02 Tier 2 Bond	21/03/2019	100 Yuan	10,000	4.51%	25/03/2019	25/03/2034	26/03/2019
19 ICBC 04 Tier 2 Bond	24/04/2019	100 Yuan	10,000	4.69%	26/04/2019	26/04/2034	28/04/2019
20 ICBC 03 Tier 2 Bond	12/11/2020	100 Yuan	10,000	4.45%	16/11/2020	16/11/2035	17/11/2020
21 ICBC 01 Tier 2 Bond	19/01/2021	100 Yuan	30,000	4.15%	21/01/2021	21/01/2031	22/01/2021
21 ICBC 02 Tier 2 Bond	13/12/2021	100 Yuan	50,000	3.48%	15/12/2021	15/12/2031	16/12/2021
21 ICBC 03 Tier 2 Bond	13/12/2021	100 Yuan	10,000	3.74%	15/12/2021	15/12/2036	16/12/2021
22 ICBC 01 Tier 2 Bond	18/01/2022	100 Yuan	35,000	3.28%	20/01/2022	20/01/2032	21/01/2022
22 ICBC 02 Tier 2 Bond	18/01/2022	100 Yuan	5,000	3.60%	20/01/2022	20/01/2037	21/01/2022
22 ICBC 03 Tier 2 Bond	12/04/2022	100 Yuan	45,000	3.50%	14/04/2022	14/04/2032	15/04/2022
22 ICBC 04 Tier 2 Bond	12/04/2022	100 Yuan	5,000	3.74%	14/04/2022	14/04/2037	15/04/2022
22 ICBC 03A Tier-2 Capital Bonds	18/08/2022	100 Yuan	30,000	3.02%	22/08/2022	22/08/2032	23/08/2022
22 ICBC 03B Tier-2 Capital Bonds	18/08/2022	100 Yuan	10,000	3.32%	22/08/2022	22/08/2037	23/08/2022
22 ICBC 04A Tier-2 Capital Bonds	08/11/2022	100 Yuan	50,000	3.00%	10/11/2022	10/11/2032	11/11/2022
22 ICBC 04B Tier-2 Capital Bonds	08/11/2022	100 Yuan	10,000	3.34%	10/11/2022	10/11/2037	11/11/2022
22 ICBC 05A Tier-2 Capital Bonds	20/12/2022	100 Yuan	25,000	3.70%	22/12/2022	22/12/2032	23/12/2022
22 ICBC 05B Tier-2 Capital Bonds	20/12/2022	100 Yuan	5,000	3.85%	22/12/2022	22/12/2037	23/12/2022
23 ICBC 01A Tier-2 Capital Bonds	10/04/2023	100 Yuan	35,000	3.49%	12/04/2023	12/04/2033	13/04/2023
23 ICBC 01B Tier-2 Capital Bonds	10/04/2023	100 Yuan	20,000	3.58%	12/04/2023	12/04/2038	13/04/2023
23 ICBC 02A Tier-2 Capital Bonds	28/08/2023	100 Yuan	30,000	3.07%	30/08/2023	30/08/2033	31/08/2023
23 ICBC 02B Tier-2 Capital Bonds	28/08/2023	100 Yuan	25,000	3.18%	30/08/2023	30/08/2038	31/08/2023
24 ICBC 01A TLAC Non-capital Bond	15/05/2024	100 Yuan	30,000	2.25%	17/05/2024	17/05/2028	20/05/2024
24 ICBC 01B TLAC Non-capital Bond	15/05/2024	100 Yuan	10,000	2.35%	17/05/2024	17/05/2030	20/05/2024
24 ICBC T2CB01A	27/08/2024	100 Yuan	42,000	2.25%	29/08/2024	29/08/2034	30/08/2024
24 ICBC T2CB01B	27/08/2024	100 Yuan	8,000	2.40%	29/08/2024	29/08/2039	30/08/2024
24 ICBC T2CB02	24/10/2024	100 Yuan	40,000	2.37%	28/10/2024	28/10/2034	29/10/2024
24 ICBC TLACENCGB01(BC)	17/12/2024	100 Yuan	10,000	1.76%	19/12/2024	19/12/2028	20/12/2024
25 ICBC T2CN01BC	27/02/2025	100 Yuan	50,000	2.05%	03/03/2025	03/03/2035	04/03/2025
25 ICBC T2CN02BC	28/04/2025	100 Yuan	50,000	1.98%	30/04/2025	30/04/2035	06/05/2025
25 ICBC T2CN 003(BC)	10/07/2025	100 Yuan	50,000	1.88%	14/07/2025	14/07/2035	15/07/2025
25 ICBC TLACENC01(BC)	22/10/2025	100 Yuan	10,000	2.02%	24/10/2025	24/10/2029	27/10/2025

The Bank has the option to redeem these bonds in whole or in part on specific dates at par value in future upon the approval of the relevant regulatory authorities.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**36. DEBT SECURITIES ISSUED (CONTINUED)**

**(a) Subordinated bonds, tier 2 capital bonds and total loss-absorbing capacity eligible non-capital bonds (continued)**

Subsidiaries:

On 15 March 2022, ICBC-AXA issued a capital supplementary bond with an aggregate nominal amount of RMB5,000 million, bearing an initial fixed interest rate of 3.7%. The bond will mature on 17 March 2032. The issuer has an option to redeem the capital supplementary bond in whole or in part at par value at the end of the fifth interest-bearing year. If the issuer does not exercise the redemption option, the coupon rate would increase to 4.7% from the sixth interest-bearing year.

The above tier 2 capital bond is traded on the National Interbank Bond Market.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**36. DEBT SECURITIES ISSUED (CONTINUED)**

**(b) Other debt securities issued**

The Bank:

- (i) Head Office issued debt securities denominated in RMB at fixed or floating interest rates and interbank certificates of deposit denominated in RMB at zero- coupon amounting to RMB 1,258,163 million in total with maturities between 2026 and 2028. The coupon rates range from 0 to 2.70%.
- (ii) Sydney Branch issued debt securities, denominated in AUD and USD at fixed or floating interest rates amounting to an equivalent of RMB4,910 million in total with maturities between 2026 and 2027. The coupon rates range from 1.09% to 4.52%.
- (iii) Singapore Branch issued debt securities denominated in RMB, SGD and USD at fixed or floating interest rates amounting to an equivalent of RMB17,418 million in total with maturities between 2026 and 2028. The coupon rates range from 1.82% to 4.59%.
- (iv) New York Branch issued debt securities and notes denominated in USD at fixed interest rates or zero-coupon amounting to an equivalent of RMB 8,305 million in total with maturities between 2026 and 2027. The coupon rates range from 0 to 3.54%.
- (v) Luxembourg Branch issued debt securities denominated in EUR and USD at fixed or floating interest rates amounting to an equivalent of RMB 5,637million in total that will mature between 2026 and 2028. The coupon rate range from 2.25% 4.20%.
- (vi) Dubai (DIFC) Branch issued debt securities denominated in RMB and USD at fixed or floating interest rates amounting to an equivalent of RMB12,216 million in total with maturities between 2026 and 2028. The coupon rates range from 2.00% to 4.58%.
- (vii) Hong Kong Branch issued debt securities denominated in USD at fixed interest rates amounting to an equivalent of RMB30,721 million in total with maturities between 2026 and 2028. The coupon rates range from 1.63% to 5.38%.
- (viii) London Branch issued securities denominated in GBP, USD and EUR at fixed or floating interest rates amounting to an equivalent of RMB 14,649 million in total with maturities between 2026 and 2028. The coupon rates range from 1.63% to 4.74%.
- (ix) Macau Branch issued debt securities denominated in USD at floating interest rates amounting to an equivalent of RMB2,438 million in total with maturities between 2027 and 2028. The coupon rates range from 4.48% to 4.56%.
- (x) Panama Branch issued zero-coupon debt notes denominated in USD amounting to an equivalent of RMB186 million in total that will mature in 2026.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**36. DEBT SECURITIES ISSUED (CONTINUED)**

**(b) Other debt securities issued (continued)**

Subsidiaries:

- (i) ICBC Asia issued debt securities and interbank certificates of deposit denominated in RMB and USD at fixed interest rates or zero-coupon amounting to an equivalent of RMB6,511 million in total with maturities between 2026 and 2027. The coupon rates range from 0 to 3.15%.
- (ii) ICBC Leasing issued debt securities denominated in RMB and USD at fixed or floating interest rates amounting to an equivalent of RMB36,674 million in total with maturities between 2026 and 2031. The coupon rates range from 1.75% to 5.30%.
- (iii) ICBC Thai issued debt securities denominated in THB at fixed interest rates amounting to an equivalent of RMB4,438 million in total with maturities between 2026 and 2028. The coupon rates range from 1.70% to 3.70%.
- (iv) ICBC International issued debt securities denominated in RMB and USD at fixed or floating interest rates amounting to an equivalent of RMB2,399 million in total with maturities between 2027 and 2028. The coupon rates range from 2.60% to 5.18%.
- (v) ICBC New Zealand issued debt securities denominated in NZD, RMB and USD at fixed or floating interest rates amounting to an equivalent of RMB1,850 million in total with maturities between 2026 and 2029. The coupon rates range from 2.95% to 5.90%.
- (vi) ICBC Austria issued interbank certificates of deposit denominated in EUR at fixed interest rates amounting to RMB41 million in total that will mature in 2028. The coupon rate is 2.82%.
- (vii) ICBC Canada issued zero-coupon interbank certificates of deposit denominated in CAD at fixed interest rates amounting to RMB 485 million in total that will mature in 2026.
- (viii) ICBC Macau issued debt securities denominated in RMB at fixed interest rates amounting to RMB 2,997 million in total that will mature in 2026. The coupon rate is 3.09%.
- (ix) ICBC Argentina issued debt securities denominated in ARS at floating interest rates amounting to RMB 379 million in total with maturity in 2026. The coupon rates range from 32.13% to 32.38%.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**37. OTHER LIABILITIES**

		31 December 2025	31 December 2024
Settlement and clearing balances		545,081	374,945
Insurance business liabilities		325,149	304,959
Salaries, bonuses, allowances and subsidies payables	(a)	46,996	45,269
Dividends payable		28,820	51,282
Provisions for credit commitments	(b)	24,114	25,159
Lease liabilities	(c)	19,551	20,983
Sundry tax payables		18,243	15,974
Promissory notes		1,028	1,239
Early retirement benefits		5	7
Others		34,965	89,398
		<u>1,043,952</u>	<u>929,215</u>

**(a) There were no overdue payments for staff salaries, bonuses, allowances and subsidies payable as at 31 December 2025 (31 December 2024: Nil).**

**(b) Provisions for credit commitments**

	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2025	19,815	5,244	100	25,159
Transfer:				
— to stage 1	184	(184)	-	-
— to stage 2	(356)	356	-	-
— to stage 3	(180)	(568)	748	-
(Reverse)/ charge for the year	(1,004)	(981)	1,155	(830)
Other movements	132	389	(736)	(215)
Balance at 31 December 2025	<u>18,591</u>	<u>4,256</u>	<u>1,267</u>	<u>24,114</u>
	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2024	17,897	5,634	654	24,185
Transfer:				
— to stage 1	113	(113)	-	-
— to stage 2	(204)	204	-	-
— to stage 3	(76)	(7)	83	-
Charge /(reverse) for the year	1,771	(528)	(553)	690
Other movements	314	54	(84)	284
Balance at 31 December 2024	<u>19,815</u>	<u>5,244</u>	<u>100</u>	<u>25,159</u>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**37. OTHER LIABILITIES (CONTINUED)**

**(c) Lease liabilities**

	31 December 2025	31 December 2024
Less than one year	6,933	6,741
One to two years	5,499	5,515
Two to three years	3,761	3,913
Three to five years	4,504	4,444
More than five years	1,622	2,145
Undiscounted lease liabilities	<u>22,319</u>	<u>22,758</u>
Closing balance of lease liabilities	<u>19,551</u>	<u>20,983</u>

**38. SHARE CAPITAL**

	31 December 2025		31 December 2024	
	Number of shares (millions)	Nominal value	Number of shares (millions)	Nominal value
Issued and fully paid:				
H shares of RMB1 Yuan each	86,795	86,795	86,795	86,795
A shares of RMB1 Yuan each	<u>269,612</u>	<u>269,612</u>	<u>269,612</u>	<u>269,612</u>
	<u>356,407</u>	<u>356,407</u>	<u>356,407</u>	<u>356,407</u>

Except for the dividends of H shares which are payable in RMB or HKD equivalent, all of the ordinary A shares and H shares rank pari passu with each other in respect of dividends on ordinary shares.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**39. OTHER EQUITY INSTRUMENTS**

**(1) Preference shares**

(a) Preference shares (“Preference Shares”) outstanding:

Financial instruments outstanding	Issue date	Accounting classification	Dividend rate	Issue price	Amount (million shares)	In original currency (million)	In RMB (million)	Maturity	Conversion condition	Conversion
Domestic Preference Shares:										
RMB2015	18/11/2015	Equity	3.14%	RMB100/Share	450	45,000	45,000	None	Mandatory	No
RMB2019	19/09/2019	Equity	3.02%	RMB100/Share	700	70,000	<u>70,000</u>	None	Mandatory	No
Total							<u>115,000</u>			

(b) Main clauses and basic information

(i) Dividend

Offshore and Domestic dividends are paid annually.

Offshore and Domestic dividends are set at a fixed rate for 5 years after issuance and are reset every 5 years thereafter to the sum of the benchmark rate and the fixed spread. The fixed spread is equal to the spread between the initial offshore and domestic dividend rate and the benchmark rate at the time of issuance. The fixed spread remains unchanged throughout the term of the Preference Shares.

(ii) Conditions to distribution of dividends

The Bank can pay offshore and domestic dividends when it has distributable after-tax profit after making up previous years’ losses, contributing to the statutory reserve and making general provisions, and the Bank’s capital adequacy ratios meet regulatory requirements. Preference shareholders of the Bank are senior to the ordinary shareholders in respect of the right to dividends. The order of payment of domestic dividends is equal to offshore dividends. The Bank may elect to cancel all or part of offshore and domestic dividends and this shall not constitute a default for any purpose, but such cancellation will require a shareholder’s resolution to be passed.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**39. OTHER EQUITY INSTRUMENTS (CONTINUED)**

**(1) Preference shares (continued)**

(b) Main clauses and basic information (continued)

(iii) Dividend stopper and setting mechanism

For Offshore and Domestic Preference Shares, if the Bank cancels all or part of the dividends to the Preference Shares, the Bank shall not make any dividend distribution to ordinary shareholders before the Bank pays the dividends to the preference shareholders in full for the current dividend period.

Non-cumulative dividend is a dividend on Offshore and Domestic Preference Shares which does not cumulate upon omission of payment and the passed or omitted dividend of one year is not carried to the following year. After receiving a dividend at the agreed dividend rate, preference shareholders of the Bank will not participate in the distribution of residual profits with ordinary shareholders.

The Bank shall distribute dividends for Offshore and Domestic Preference Shares in cash, based on the liquidation preference amount for the issued and outstanding Offshore Preference Shares or total amount of issued and outstanding Domestic Preference Shares during the corresponding period (i.e., the product of the issue price of Preference Shares and the number of the issued and outstanding Preference Shares).

(iv) Order of distribution and liquidation method

The offshore preference shareholders and domestic preference shareholders will rank equally for payment. The preference shareholders will be subordinated to the depositors, general creditors and holders of convertible bonds, holders of subordinated debts, holders of tier 2 capital bonds and holders of other tier 2 capital instruments of the Bank but will be senior to the ordinary shareholders of the Bank.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**39. OTHER EQUITY INSTRUMENTS (CONTINUED)**

**(1) Preference shares (continued)**

(b) Main clauses and basic information (continued)

(v) Mandatory conversion trigger events

For Offshore Preference Shares, upon the occurrence of any Non-Viability Trigger Event, the Bank shall have the right to irrevocably and compulsorily convert all or part of the outstanding Offshore Preference Shares into H shares, under the consent of the NFRA but without the need for the consent of the offshore preference shareholders or the ordinary shareholders. If the Offshore Preference Shares were converted into H shares, they cannot be converted to Preference Shares again under any circumstances.

For Domestic Preference Shares, upon the occurrence of an Additional Tier 1 Capital Trigger Event (Common Equity Tier 1 Capital Adequacy Ratio of the Bank falling to 5.125% or below), the Bank shall have the right without the need for the consent of the domestic preference shareholders to convert all or part of the outstanding face value of Domestic Preference Shares into A shares, in order to restore the Common Equity Tier 1 Capital Adequacy Ratio of the Bank to above 5.125%. If Domestic Preference Shares were converted into A shares, they cannot be converted to Preference Shares again under any circumstances. Upon the occurrence of a Tier 2 Capital Trigger Event, the Bank shall have the right without the need for the consent of the domestic preference shareholders to convert all the outstanding face value of Domestic Preference Shares into A shares. If Domestic Preference Shares were converted into A share, they cannot be converted to Preference Shares again under any circumstances.

The initial mandatory conversion prices are HKD5.73 per H share for Offshore Preference Shares, RMB3.44 for Domestic 2015 Preference Shares and RMB5.43 for Domestic 2019 Preference Shares. In case of stock dividends distribution of H or A shares of the Bank or other circumstances, the Bank will make cumulative adjustment to the compulsory conversion price in turn.

(vi) Redemption conditions

Subject to obtaining the approval of the NFRA and satisfying the conditions of redemption, the Bank has the right to redeem all or part of the Offshore Preference Shares at the first call date and any subsequent dividend payment date. Redemption price of Offshore Preference Shares is equal to liquidation preference price plus any declared but unpaid dividend in current period. The first redemption date of Offshore Preference Shares is five years after issuance.

Under the premise of obtaining the approval of the NFRA and compliance with relevant requirements, the Bank has the right to redeem all or part of Domestic Preference Shares, after five years since the date of issuance/the date of closing. The redemption period of Domestic Preference Shares is from the start date of redemption to the date of full redemption or conversion. Redemption price of Domestic Preference Shares is equal to book value plus any declared but unpaid dividend in the current period.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**39. OTHER EQUITY INSTRUMENTS (CONTINUED)**

**(1) Preference shares (continued)**

**(c) Changes in preference shares outstanding**

Financial instruments outstanding	1 January 2025			Movement during the year			31 December 2025		
	Amount (million shares)	In original currency (million)	In RMB (million)	Amount (million shares)	In original currency (million)	In RMB (million)	Amount (million shares)	In original currency (million)	In RMB (million)
Offshore Preference Shares:									
USD	145	2,900	19,716	(145)	(2,900)	(19,716)	-	-	-
Domestic Preference Shares:									
RMB2015	450	45,000	45,000	-	-	-	450	45,000	45,000
RMB2019	700	70,000	70,000	-	-	-	700	70,000	70,000
Total			<u>134,716</u>			<u>(19,716)</u>			<u>115,000</u>

The carrying amount of Preference Shares issued by the Bank, net of related issuance fees, was RMB114,927 million as at 31 December 2025 (31 December 2024: RMB134,614 million).

The Bank redeemed all of the USD Offshore Preference Shares on 23 September 2025.

**(2) Perpetual bonds**

**(a) Perpetual bonds outstanding**

Financial instruments outstanding	Issue date	Accounting classification	Initial interest rate	Issue price	Amount (million units)	In original currency (million)	In RMB (million)	Maturity	Conversion condition	Conversion
Offshore										
USD Perpetual bond	24/09/2021	Equity	3.20%	Note (i)	N/A	6,160	39,793	None	None	No
Domestic										
RMB2021 Perpetual bond Series 1	04/06/2021	Equity	4.04%	RMB100/Unit	700	70,000	70,000	None	None	No
RMB2021 Perpetual bond Series 2	24/11/2021	Equity	3.65%	RMB100/Unit	300	30,000	30,000	None	None	No
RMB2024 Perpetual bond Series 1	10/07/2024	Equity	2.35%	RMB100/Unit	500	50,000	50,000	None	None	No
RMB2025 Perpetual bond Series 1	09/05/2025	Equity	1.97%	RMB100/Unit	400	40,000	40,000	None	None	No
RMB2025 Perpetual bond Series 2	06/11/2025	Equity	2.21%	RMB100/Unit	400	40,000	<u>40,000</u>	None	None	No
Total							<u>269,793</u>			

(i) Offshore USD Perpetual Bond was issued in specific denomination of USD200,000 and integral multiple of USD1,000 in excess thereof at an issue price of 100%.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**39. OTHER EQUITY INSTRUMENTS (CONTINUED)**

**(2) Perpetual bonds (continued)**

(b) Main clauses and basic information

With the approvals of relevant regulatory authorities, the Bank issued RMB70,000 million, RMB30,000 million, RMB50,000 million, RMB40,000 million and RMB40,000 million of undated capital bonds on 4 June 2021, 24 November 2021, 10 July 2024, 9 May 2025 and 6 November 2025 (hereinafter referred to as “2021 Domestic Perpetual Bond Series 1”, “2021 Domestic Perpetual Bond Series 2”, “2024 Domestic Perpetual Bond Series 1”, “2025 Domestic Perpetual Bond Series 1” and “2025 Domestic Perpetual Bond Series 2” respectively, collectively Domestic Perpetual Bonds) in the National Interbank Bond Market.

The Bank issued USD6,160 million of undated capital bonds (hereinafter referred to as “Offshore Perpetual Bond”) on The Stock Exchange of Hong Kong Limited on 24 September 2021.

The funds raised by the Bank from the bonds were used to supplement additional tier 1 capital of the Bank in accordance with the relevant laws and approvals by regulatory authorities.

(i) Interest

Each Domestic Perpetual Bond has a par value of RMB100, and the interest rate of the bonds for the first five years are 4.04% for 2021 Domestic Perpetual Bond Series 1, 3.65% for 2021 Domestic Perpetual Bond Series 2, 2.35% for 2024 Domestic Perpetual Bond Series 1, 1.97% for 2025 Domestic Perpetual Bond Series 1, and 2.21% for 2025 Domestic Perpetual Bond Series 2, resetting every 5 years. The rates are determined by a benchmark rate plus a fixed spread. The initial fixed spreads are the difference between the interest rate and the benchmark rate as determined at the time of issuance. The fixed spread will not be adjusted once determined during the duration period. The interest of Domestic Perpetual Bonds shall be paid annually.

The interest rate of Offshore Perpetual Bond for the first five years is 3.20%, resetting every 5 years. The rate is determined by a benchmark rate plus a fixed spread, and the fixed spread will remain unchanged during the duration period. The dividend shall be paid semi-annually.

(ii) Interest stopper and setting mechanism

The interest payment for both the Domestic Perpetual Bonds and Offshore Perpetual Bond is non-cumulative. The Bank shall have the right to cancel, in whole or in part, distributions on the interest payment and any such cancellation shall not constitute an event of default. The Bank may, at its sole discretion, use the proceeds from the cancelled distributions to meet other obligations as they fall due. However, the Bank shall not distribute profits to ordinary shareholders until resumption of full interest payment.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**39. OTHER EQUITY INSTRUMENTS (CONTINUED)**

**(2) Perpetual bonds (continued)**

(b) Main clauses and basic information (continued)

(iii) Order of distribution and liquidation method

The claims in respect of Domestic Perpetual Bonds will be subordinated to claims of depositors, general creditors, and subordinated indebtedness that rank senior to Domestic Perpetual Bonds, and will rank in priority to all classes of shares held by shareholders of the Bank. The claims in respect of Offshore Perpetual Bond will be subordinated to claims of depositors, general creditors, tier 2 capital bond holders and subordinated indebtedness that rank senior to the Offshore Perpetual Bond, and will rank in priority to all classes of shares held by shareholders of the Bank. Domestic Perpetual Bonds and Offshore Perpetual Bond will rank pari passu with the claims in respect of any other Additional Tier 1 Capital instruments of the Bank that rank pari passu with the perpetual bonds.

(iv) Write down conditions

For 2021 Domestic Perpetual Bond Series 1, 2021 Domestic Perpetual Bond Series 2, 2024 Domestic Perpetual Bond Series 1, 2025 Domestic Perpetual Bond Series 1, and 2025 Domestic Perpetual Bond Series 2 upon the occurrence of a Non-Viability Trigger Event, the Bank has the right to write down all or part of the nominal amount of the outstanding perpetual bonds without the need for the consent of the bond holders.

For Offshore Perpetual Bond, upon the occurrence of a Non-Viability Trigger Event, the Bank has the right to write down all or part of the perpetual bonds issued and outstanding at that time up to the total nominal value without the need for the consent of the bond holders.

(v) Redemption conditions

The duration of the Domestic Perpetual Bonds and Offshore Perpetual Bond is the same as the continuing operation of the Bank. Five years after the issuance date of the Domestic Perpetual Bonds and Offshore Perpetual Bond, the Bank shall have the right to redeem them in whole or in part on each distribution payment date (including the fifth distribution payment date since the issuance). In the event that the perpetual bonds are not classified as additional tier 1 capital due to unpredicted changes in regulations, the Bank shall have the right to redeem Domestic Perpetual Bonds and Offshore Perpetual Bond fully instead of partly.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**39. OTHER EQUITY INSTRUMENTS (CONTINUED)**

**(2) Perpetual bonds (continued)**

(c) Changes in perpetual bonds outstanding

Financial instruments outstanding	1 January 2025			Movement during the year			31 December 2025		
	Amount (million units)	In original currency (million)	In RMB (million)	Amount (million units)	In original currency (million)	In RMB (million)	Amount (million units)	In original currency (million)	In RMB (million)
Offshore									
USD Perpetual bond	N/A	6,160	39,793	-	-	-	N/A	6,160	39,793
Domestic									
RMB2021 Perpetual bond Series 1	700	70,000	70,000	-	-	-	700	70,000	70,000
RMB2021 Perpetual bond Series 2	300	30,000	30,000	-	-	-	300	30,000	30,000
RMB2024 Perpetual bond Series 1	500	50,000	50,000	-	-	-	500	50,000	50,000
RMB2025 Perpetual bond Series 1	-	-	-	400	40,000	40,000	400	40,000	40,000
RMB2025 Perpetual bond Series 2	-	-	-	400	40,000	40,000	400	40,000	40,000
Total			<u>189,793</u>			<u>80,000</u>			<u>269,793</u>

The carrying amount of perpetual bond issued by the Bank, net of related issuance fees, was RMB269,730 million as at 31 December 2025 (31 December 2024: RMB189,730 million).

**(3) Interests attributable to equity instruments' holders**

	31 December 2025	31 December 2024
1. Total equity attributable to equity holders of the parent company	4,244,259	3,969,841
(1) Equity attributable to ordinary shareholders of the parent company	3,859,602	3,645,497
(2) Equity attributable to other equity instrument holders of the parent company	<u>384,657</u>	<u>324,344</u>
2. Total equity attributable to non-controlling interests	27,765	17,425
(1) Equity attributable to ordinary shareholders of non-controlling interests	19,893	16,553
(2) Equity attributable to other equity instrument holders of non-controlling interests	<u>7,872</u>	<u>872</u>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**40. RESERVES**

**(a) Capital reserve**

Capital reserve mainly includes share premium arising from the issuance of new shares at prices in excess of par value.

**(b) Surplus reserves**

**(i) Statutory surplus reserve**

The Bank is required to appropriate 10% of its profit for the year, as determined under the Accounting Standards for Business Enterprises and other relevant requirements (“PRC GAAP”), pursuant to the Company Law of the PRC and the Articles of the Bank to the statutory surplus reserve until the reserve balance reaches 50% of its registered capital.

Subject to the approval of the shareholders, the statutory surplus reserve may be used to offset accumulated losses of the Bank, if any, and may also be converted into capital of the Bank, provided that the balance of the statutory surplus reserve after such capitalisation is not less than 25% of the registered capital immediately before capitalisation.

Pursuant to the resolution of the board of directors’ meeting held on 27 March 2026, the total appropriation to surplus reserve of the Bank was RMB35,519 million (2024: RMB34,769 million), among which an appropriation of 10% of the profit of the Bank for the year determined under the PRC GAAP to the statutory surplus reserve, in the amount of RMB35,375 million (2024: RMB34,671 million), was approved and a total surplus reserve appropriated by overseas branches was RMB144 million (2024: RMB98 million).

**(ii) Discretionary surplus reserve**

After making the appropriation to the statutory surplus reserve, the Bank may also appropriate its profit for the year determined under the PRC GAAP to the discretionary surplus reserve upon approval by the shareholders in a general meeting. Subject to the approval of the shareholders, the discretionary surplus reserve may be used to offset accumulated losses of the Bank, if any, and may be converted into capital.

**(iii) Other surplus reserves**

The Bank’s overseas entities appropriate their profits to other surplus reserves or statutory reserve in accordance with the relevant laws and regulations promulgated by the local regulatory bodies.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**40. RESERVES (CONTINUED)**

**(c) General reserve**

In accordance with the “Administrative Measures for the Provision of Reserves of Financial Enterprises” (Cai Jin [2012] No. 20) issued by the MOF, the Bank maintains a general reserve within equity, through the appropriation of profit for the year, which should not be less than 1.5% of the year-end balance of its risk assets, to partially cover unidentified possible losses.

The Bank’s subsidiaries appropriate their profits to the general reserve according to the applicable local regulations.

Pursuant to the resolution of the board of directors’ meeting held on 27 March 2026, the total appropriation to general reserve of the Bank was RMB44,586 million (2024: RMB52,251 million). The general reserve balance of the Bank as at 31 December 2025 amounted to RMB641,403 million, which reached 1.5% of the year-end balance of the Bank’s risk assets.

**(d) Investment revaluation reserve**

The investment revaluation reserve records the fair value changes and impairment provision of financial investments measured at FVTOCI.

**(e) Foreign currency translation reserve**

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of the foreign operations incorporated outside Chinese mainland.

**(f) Cash flow hedging reserve**

The cash flow hedging reserve comprises the effective portion of the gains or losses on the hedging instruments.

**(g) Other reserves**

Other reserves represent reserves other than the items listed above, including other comprehensive income recognised under the equity method.

**(h) Distributable profits**

The Bank’s distributable profit is based on its retained profits as determined under PRC GAAP and IFRS Accounting Standards, whichever is lower. The amount that the Bank’s subsidiaries can legally distribute is determined by referring to their profits as reflected in their financial statements prepared in accordance with the accounting regulations and principles promulgated by the local regulatory bodies. These profits may differ from those dealt with in these financial statements, which are prepared in accordance with IFRS Accounting Standards.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**41. OTHER COMPREHENSIVE INCOME**

**(a) Other comprehensive income attributable to equity holders of the parent company in the consolidated statement of financial position**

	Investment revaluation reserve	Foreign currency translation reserve	Others	Total
1 January 2024	24,047	(15,608)	(12,517)	(4,078)
Movement during the year	52,918	9,516	(10,661)	51,773
31 December 2024 and 1 January 2025	<u>76,965</u>	<u>(6,092)</u>	<u>(23,178)</u>	<u>47,695</u>
Movement during the year	(25,720)	(8,203)	3,327	(30,596)
31 December 2025	<u>51,245</u>	<u>(14,295)</u>	<u>(19,851)</u>	<u>17,099</u>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**41. OTHER COMPREHENSIVE INCOME (CONTINUED)**

**(b) Other comprehensive income in the consolidated statement of profit or loss and other comprehensive income**

	2025	2024
Items that will not be reclassified to profit or loss:		
(i) Changes in fair value of equity instruments designated as at FVTOCI	1,377	4,088
Less: Income tax effect	55	(319)
	<u>1,432</u>	<u>3,769</u>
(ii) Other comprehensive income recognised under the equity method	0	43
(iii) Others	16	24
Items that may be reclassified subsequently to profit or loss:		
(i) Changes in fair value of debt instruments measured at FVTOCI	(32,558)	75,927
Less: Amount transferred to profit or loss from other comprehensive income	(4,808)	(2,490)
Less: Income tax effect	9,548	(18,923)
	<u>(27,818)</u>	<u>54,514</u>
(ii) Credit losses of debt instruments measured at FVTOCI	(308)	(469)
Less: Income tax effect	166	200
	<u>(142)</u>	<u>(269)</u>
(iii) Cash flow hedging reserve:		
Gains/(losses) during the year	709	(1,445)
Less: Income tax effect	66	113
	<u>775</u>	<u>(1,332)</u>
(iv) Other comprehensive income recognised under the equity method	(346)	(58)
(v) Foreign currency translation reserve	(8,615)	9,744
(vi) Others	4,310	(15,246)
	<u>(30,388)</u>	<u>51,189</u>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**42. CASH AND CASH EQUIVALENTS**

	31 December 2025	31 December 2024
Cash on hand	72,868	72,069
Balances with central banks other than restricted deposits	679,586	393,112
Deposits with banks and other financial institutions with original maturity of three months or less	304,079	402,017
Placements with banks and other financial institutions with original maturity of three months or less	279,052	325,554
Reverse repurchase agreements with original maturity of three months or less	433,425	1,097,652
	<u>1,769,010</u>	<u>2,290,404</u>

**43. INTERESTS IN STRUCTURED ENTITIES**

**(a) Structured entities sponsored by third party institutions in which the Group holds an interest**

The Group holds an interest in some structured entities sponsored by third party institutions through investments in the products issued by these structured entities. Such structured entities include investment funds, asset management plans and asset-backed securities, and trust plans and the Group does not consolidate these structured entities. The nature and purpose of these structured entities are to generate fees from managing assets on behalf of investors and are financed through the issuance of investment products to investors.

The following table sets out an analysis of the carrying amounts and maximum exposure of interests held by the Group in the structured entities sponsored by third party institutions:

	31 December 2025		31 December 2024	
	Carrying amount	Maximum exposure	Carrying amount	Maximum exposure
Investment funds	78,122	78,122	36,587	36,587
Asset management plans and asset-backed securities	60,332	60,332	74,943	74,943
Trust plans	38,723	38,723	30,476	30,476
	<u>177,177</u>	<u>177,177</u>	<u>142,006</u>	<u>142,006</u>

The maximum loss exposures in the above investment funds, asset management plans and asset-backed securities, and trust plans are the carrying amounts which are measured at amortised cost, or the fair value of the investments held by the Group as at the reporting date.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**43. INTERESTS IN STRUCTURED ENTITIES (CONTINUED)**

**(a) Structured entities sponsored by third party institutions in which the Group holds an interest (continued)**

The following tables set out an analysis of the line items in the consolidated statement of financial position in which assets were recognised relating to the Group's interests in structured entities sponsored by third party institutions:

	31 December 2025		
	Financial investments measured at FVTPL	Financial investments measured at FVTOCI	Financial investments measured at amortised cost
Investment funds	77,720	402	-
Asset management plans and asset-backed securities	20,221	34,649	5,462
Trust plans	11,465	19,393	7,865
	<u>109,406</u>	<u>54,444</u>	<u>13,327</u>
	31 December 2024		
	Financial investments measured at FVTPL	Financial investments measured at FVTOCI	Financial investments measured at amortised cost
Investment funds	36,450	137	-
Asset management plans and asset-backed securities	27,921	31,317	15,705
Trust plans	7,143	19,919	3,414
	<u>71,514</u>	<u>51,373</u>	<u>19,119</u>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**43. INTERESTS IN STRUCTURED ENTITIES (CONTINUED)**

**(b) Structured entities sponsored by the Group in which the Group does not consolidate but holds an interest**

The types of unconsolidated structured entities sponsored by the Group include non-principal-guaranteed wealth management products and investment funds. The nature and purpose of these structured entities are to generate fees from managing assets on behalf of investors. These structured entities are financed through the issuance of investment products to investors. Interest held by the Group includes investments in the products issued by these unconsolidated structured entities and fees charged for providing management services. As at 31 December 2025 and 31 December 2024, the carrying amounts of the investments in the products issued by these unconsolidated structured entities and fee receivables being recognised were not significant. Management fee income earned by the Group was included in fee and commission income of personal wealth management and private banking services and corporate wealth management services set out in Note 7.

As at 31 December 2025, the balance of the unconsolidated non-principal-guaranteed wealth management products and investment funds, which are sponsored by the Group, were RMB2,091,240 million (31 December 2024: RMB2,121,075 million) and RMB2,372,342 million (31 December 2024: RMB2,111,149 million).

In both 2025 and 2024, there were no financing transactions through placements and reverse repurchase agreements from the Group with non-principal-guaranteed wealth management products sponsored by the Group.

**(c) Consolidated structured entities**

The consolidated structured entities of the Group are primarily the certain investment funds, asset-backed securities and asset management plans issued or initiated and invested by the Group or purchased due to regulatory requirements related to wealth management business. The Group controls these entities because the Group has power over, is exposed to, or has rights to variable returns from its involvement with these entities and has the ability to use its power over these entities to affect the amount of the Group's variable returns.

**44. TRANSFERRED FINANCIAL ASSETS**

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

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**44. TRANSFERRED FINANCIAL ASSETS (CONTINUED)**

**Repurchase transactions and securities lending transactions**

Transferred financial assets that do not qualify for derecognition mainly include debt securities held by counterparties as collateral under repurchase agreements and debt securities lent to counterparties under securities lending agreements. The counterparties are allowed to sell or repledge those securities in the absence of default by the Group but has an obligation to return the securities at the maturity of the contract. For securities lent out, if the securities increase or decrease in value, the Group may in certain circumstances require additional cash collateral from counterparties or return part of the cash collateral to counterparties. The Group has determined that it retains substantially all the risks and rewards of these securities and therefore has not derecognised them. In addition, it recognises a financial liability for cash received as collateral.

**Securitisation transactions**

The Group transfers credit assets to structured entities which issue asset-backed securities to investors. The Group may acquire some asset-backed securities at the subordinated tranche level and accordingly, may retain parts of the risks and rewards of the transferred credit assets. The Group would determine whether to derecognise the associated credit assets by evaluating the extent to which it retains the risks and rewards of the assets.

For those in which the Group has neither transferred nor retained substantially all the risks and rewards of the transferred credit assets, and retained control of the credit assets, the Group recognises the assets on the consolidated statement of financial position to the extent of the Group's continuing involvement and the rest is derecognised. The extent of the Group's continuing involvement is the extent of the risks and rewards undertaken by the Group with value changes of the transferred financial assets. There were no carrying amount of assets that the Group continues to recognise on the consolidated statement of financial position as at 31 December 2025 (31 December 2024: RMB28,723 million).

As at 31 December 2025, the carrying amount of asset-backed securities held by the Group in securitisation transactions that were qualified for derecognition was RMB878 million (31 December 2024: RMB840 million) , and its maximum exposure approximated to the carrying amount.

With respect to the securitisation of financial assets that do not qualify for derecognition, the relevant financial assets are not derecognised, and the consideration received is recorded as a financial liability. There were no transferred credit assets that were not qualified for derecognition of the Group as at 31 December 2025 (31 December 2024: RMB132 million).

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**45. ASSETS PLEDGED AS SECURITY**

The Group's collaterals for liabilities or contingent liabilities include financial assets such as securities and bills, which mainly serve as collaterals for repurchase agreements, securities borrowing, or local statutory requirements. As at 31 December 2025, the par value of the financial assets of the Group pledged as collateral amounted to approximately RMB3,415,579 million (31 December 2024: approximately RMB2,202,447 million).

**46. SHARE APPRECIATION RIGHTS PLAN**

The Bank's share appreciation rights plan was approved in 2006, which allows share appreciation rights to be granted to eligible participants including directors, senior management and other key personnel designated by the board of directors. The share appreciation rights will be granted and exercised based on the price of the Bank's H shares and will be valid for 10 years. As at the approval date of these financial statements, no share appreciation rights have been granted.

**47. COMMITMENTS AND CONTINGENT LIABILITIES**

**(a) Capital commitments**

At the end of the reporting period, the Group had capital commitments as follows:

	31 December 2025	31 December 2024
Contracted but not provided for	<u>18,941</u>	<u>19,469</u>

**(b) Credit commitments**

The Group has outstanding commitments to extend credit including approved loans and undrawn credit card limits.

The Group provides letters of credit and financial guarantees 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 most acceptances to be settled simultaneously with the reimbursement from the customers.

The contractual amounts of credit commitments by category are set out below. The amounts disclosed in respect of loan commitments and undrawn credit card limits are under the assumption that the amounts will be fully advanced. The amounts for bank acceptances, letters of credit and guarantees represent the maximum potential losses that would be recognised at the end of the reporting period had the counterparties failed to perform as contracted.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**47. COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)**

**(b) Credit commitments (continued)**

	31 December 2025	31 December 2024
Bank acceptances	1,169,736	908,973
Guarantees issued		
— Financing letters of guarantees	97,311	40,259
— Non-financing letters of guarantees	677,886	625,887
Sight letters of credit	49,040	51,318
Usance letters of credit	221,942	151,732
Loan commitments		
— With an original maturity of under one year	34,731	43,586
— With an original maturity of one year or over	449,366	415,557
Undrawn credit card limits	1,155,462	1,166,166
	<u>3,855,474</u>	<u>3,403,478</u>
Credit risk-weighted assets of credit commitments	<u>1,335,778</u>	<u>1,190,347</u>

**(c) Operating leases**

The Group acts as a lessor principally through operating leases undertaken by its subsidiary ICBC Leasing. Under irrevocable operating lease contracts, the expected undiscounted minimum lease payments receivable by the Group in the future period amounted to:

	31 December 2025	31 December 2024
Within one year	16,042	16,846
Over one year but within two years	15,697	15,033
Over two years but within three years	13,676	13,239
Over three years but within five years	23,312	22,993
Over five years	40,361	44,569
	<u>109,088</u>	<u>112,680</u>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**47. COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)**

**(d) Legal proceedings and arbitrations**

The Group is involved in lawsuits and arbitrations during its normal course of operations. As at 31 December 2025, there were a number of legal proceedings and arbitrations outstanding against the Bank and/or its subsidiaries with a total claimed amount of RMB7,183 million (31 December 2024: RMB8,655 million).

In the opinion of management, the Group has made adequate allowance for any probable losses based on the current facts and circumstances, and the ultimate outcome of these lawsuits and arbitrations will not have any significant impact on the financial position or operations of the Group.

**(e) Redemption commitments of government bonds and securities underwriting commitments**

As an underwriting agent of the MOF, the Bank underwrites certain PRC government bonds and sells the bonds to the general public. The Bank is obliged to redeem these bonds at the discretion of the holders at any time prior to maturity. The redemption price for the bonds is based on the nominal value of the bonds plus any interest accrued up to the redemption date. The MOF will not provide funding for the early redemption of these PRC government bonds on a back-to-back basis but is obliged to repay the principal and the respective interest upon maturity. The redemption obligations, which represent the nominal value of government bonds underwritten and sold by the Group, but not yet matured as at 31 December 2025 were RMB58,062 million (31 December 2024: RMB53,445 million). Management expects that the redemption obligations of these PRC government bonds by the Bank prior to maturity will not be material.

As at December 31, 2025, the Group had no outstanding bond underwriting commitments (December 31, 2024: RMB400 million).

**(f) Designated funds and loans**

	31 December 2025	31 December 2024
Designated funds	<u>4,821,597</u>	<u>4,586,796</u>
Designated loans	<u>4,821,477</u>	<u>4,586,664</u>

The designated funds represent the funding that the trustors have instructed the Group to use to make loans to third parties as designated by them. The credit risk remains with the trustors.

The designated loans represent the loans granted to specific borrowers designated by the trustors on their behalf according to the entrust agreements signed by the Group and the trustors. The Group does not bear any risk.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**47. COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)**

**(g) Fiduciary activities**

The Group provides custody, trust and asset management services to third parties. Revenue from such activities is included in “net fee and commission income” set out in Note 7. Those assets held in a fiduciary capacity are not included in the Group’s consolidated statement of financial position.

**48. RELATED PARTY DISCLOSURES**

In addition to the transactions detailed elsewhere in these consolidated financial statements, the Group had the following transactions with related parties during the reporting year:

**(a) The MOF**

The MOF is a ministry under the State Council of the PRC, primarily responsible for, among others, state fiscal revenues, expenses and taxation policies. As at 31 December 2025, the MOF directly owned approximately 31.14% (31 December 2024: approximately 31.14%) of the issued share capital of the Bank. The Group entered into banking transactions with the MOF in its ordinary course of business. Details of the major transactions are as follows:

	31 December 2025	31 December 2024
Balances at end of the year:		
The PRC government bonds and the special government bond	<u>4,734,450</u>	<u>3,325,998</u>
	2025	2024
Transactions during the year:		
Interest income on the government bonds	<u>83,771</u>	<u>64,747</u>

Other related party transactions between the Group and enterprises under the control or joint control of the MOF are disclosed in Note 48(i) “Transactions with state-owned entities in the PRC”.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**48. RELATED PARTY DISCLOSURES (CONTINUED)**

**(b) Central Huijin Investment Ltd.**

Central Huijin Investment Ltd. (“Huijin”) is a wholly-owned subsidiary of China Investment Corporation, and in accordance with the authorisation of the State Government, Huijin makes equity investments in major state-owned financial enterprises, and shall, to the extent of its capital contribution, exercise the rights and perform the obligations as an investor on behalf of the State Government in accordance with applicable laws, to achieve the goal of preserving and enhancing the value of state-owned financial assets. Huijin does not conduct any other businesses or commercial activities nor intervene in the day-to-day business operations of the financial enterprises in which it invests. Huijin was established on 16 December 2003 with a total registered and paid-in capital of RMB828,209 million. As at 31 December 2025, Huijin directly owned approximately 34.79% (31 December 2024: approximately 34.79%) of the issued share capital of the Bank.

As at 31 December 2025, bonds issued by Huijin (“the Huijin Bonds”) held by the Group were of an aggregate face value of RMB86,272 million (31 December 2024: RMB58,897 million), with terms ranging from two to thirty years and coupon rates ranging from 1.73% to 4.20%. The Huijin Bonds are government-backed bonds, short-term bills and medium-term notes. The Group’s subscription of the Huijin Bonds was conducted in the ordinary course of business, in compliance with relevant regulatory and the corporate governance requirements of the Group.

The Group entered into banking transactions with Huijin in the ordinary course of business under normal commercial terms and the transactions were priced based on market rates. Details of the major transactions are as follows:

	31 December 2025	31 December 2024
Balances at end of the year:		
Debt securities purchased	87,471	59,573
Loans and advances to customers	36,424	68,139
Due to customers	<u>98,405</u>	<u>35,642</u>
	2025	2024
Transactions during the year:		
Interest income on debt securities purchased	1,886	1,377
Interest income on loans and advances to customers	1,355	2,074
Interest expense on amounts due to customers	<u>672</u>	<u>381</u>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**48. RELATED PARTY DISCLOSURES (CONTINUED)**

**(b) Central Huijin Investment Ltd. (continued)**

Huijin holds equity interests in certain other banks and financial institutions under the direction of the State Government. The Group entered into transactions with these banks and financial institutions in the ordinary course of business under normal commercial terms and the transactions were priced based on market rates. Management considers that these banks and financial institutions are competitors of the Group. Details of major transactions conducted with these banks and financial institutions are as follows:

	31 December 2025	31 December 2024
Balances at end of the year:		
Debt securities purchased	1,023,813	1,153,794
Due from banks and other financial institutions	377,105	273,219
Reverse repurchase agreements	39,422	84,763
Loans and advances to customers	8,657	2,544
Derivative financial assets	5,880	6,206
Due to banks and other financial institutions	570,766	396,947
Repurchase agreements	16,694	3,400
Derivative financial liabilities	6,529	31,419
Due to customers	41,794	12,947
Credit commitments	29,828	7,924
	2025	2024
Transactions during the year:		
Interest income on debt securities purchased	20,476	27,655
Interest income on amounts due from banks and other financial institutions	6,389	2,849
Interest income on reverse repurchase agreements	118	35
Interest income on loans and advances to customers	197	74
Interest expense on amounts due to banks and other financial institutions	9,808	5,004
Interest expense on repurchase agreements	22	4
Interest expense on amounts due to customers	637	228

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**48. RELATED PARTY DISCLOSURES (CONTINUED)**

**(c) National Council for Social Security Fund of the People's Republic of China**

National Council for Social Security Fund (the “SSF”) is a public institution managed by the MOF. It is the management and operating organisation of the national social security fund. As at 31 December 2025, the SSF held approximately 5.35% (31 December 2024: approximately 5.31%) of the Bank's issued share capital. The Group entered into banking transactions with the SSF in the ordinary course of business under normal commercial terms and the transactions were priced based on market rates. Details of the major transactions are as follows:

	31 December 2025	31 December 2024
Balances at end of the year:		
Deposited funds	<u>376,750</u>	<u>227,000</u>
	2025	2024
Transactions during the year:		
Interest expense	<u>11,265</u>	<u>10,015</u>

**(d) Subsidiaries**

	31 December 2025	31 December 2024
Balances at end of the year:		
Financial investments	37,601	39,769
Due from banks and other financial institutions	384,587	366,583
Reverse repurchase agreements	5,850	7,398
Loans and advances to customers	85,288	90,772
Derivative financial assets	4,885	5,971
Due to banks and other financial institutions	205,768	482,000
Repurchase agreements	19,324	2,924
Derivative financial liabilities	9,439	9,303
Credit commitments	<u>14,204</u>	<u>26,354</u>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**48. RELATED PARTY DISCLOSURES (CONTINUED)**

**(d) Subsidiaries (continued)**

	2025	2024
Transactions during the year:		
Interest income on financial investments	1,929	2,054
Interest income on amounts due from banks and other financial institutions	2,499	2,685
Interest income on reverse repurchase agreements	21	5
Interest income on loans and advances to customers	3,309	3,746
Interest expense on amounts due to banks and other financial institutions	3,408	6,171
Interest expense on repurchase agreements	129	1
Fee and commission income	<u>2,902</u>	<u>3,788</u>

The major balances and transactions with subsidiaries have been eliminated in the consolidated financial statements.

**(e) Associates and affiliates**

	31 December 2025	31 December 2024
Balances at end of the year:		
Due from banks and other financial institutions	666	722
Reverse repurchase agreements	1,843	1,837
Loans and advances to customers	7,135	4,894
Derivative financial assets	2,250	1,825
Due to banks and other financial institutions	3,900	2,554
Due to customers	4,735	2,968
Derivative financial liabilities	1,973	1,587
Credit commitments	<u>7,795</u>	<u>8,293</u>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**48. RELATED PARTY DISCLOSURES (CONTINUED)**

**(e) Associates and affiliates (continued)**

	2025	2024
Transactions during the year:		
Interest income on debt securities purchased	-	133
Interest income on amounts due from banks and other financial institutions	15	22
Interest income on loans and advances to customers	346	237
Interest expense on amounts due to banks and other financial institutions	281	297
Interest expense on amounts due to customers	<u>62</u>	<u>22</u>

Transactions between the Group and the aforementioned parties were conducted under normal commercial terms and conditions and priced based on market rates.

**(f) Joint ventures and affiliates**

	31 December 2025	31 December 2024
Balances at end of the year:		
Loans and advances to customers	-	217
Due to banks and other financial institutions	190	643
Due to customers	<u>87</u>	<u>139</u>
	2025	2024
Transactions during the year:		
Interest income on loans and advances to customers	0	27
Interest expense on amounts due to banks and other financial institutions	1	4
Interest expense on amounts due to customers	<u>1</u>	<u>3</u>

Transactions between the Group and the aforementioned parties were conducted in the ordinary course of business under normal terms and conditions and priced based on market rates.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**48. RELATED PARTY DISCLOSURES (CONTINUED)**

**(g) Key management personnel**

The key management personnel are those persons who have the authority and responsibility to plan, direct and control the activities of the Group, directly or indirectly, including members of the board of directors and the board of supervisors, and executive officers.

The aggregate compensation of key management personnel is as follows:

	2025 In RMB'000	2024 In RMB'000
Salaries and benefits	<u>10,984</u>	<u>14,926</u>

The above remuneration before tax payable to key management personnel for 2024 represents the total amount of their annual remunerations, which includes the amount disclosed in the 2024 annual report.

The Board of Supervisors of the Bank was officially dissolved in September 2025. The total compensation of key management personnel disclosed in the above table includes the remuneration of supervisors during the existence of the Board of Supervisors within the current year.

The total compensation packages for the Chairman of the Board of Directors, President, Executive Directors, and other Senior Management members have not been finalised in accordance with the regulations of the PRC relevant authorities. The total remuneration not yet accrued is not expected to have a significant impact on the Group's 2025 consolidated financial statements. The total compensation packages will be further disclosed when determined by the relevant authorities.

Related parties of the Group include key management personnel of the Group and their close relatives, as well as companies controlled, jointly controlled or significantly influenced by key management personnel or their close relatives.

In 2025, there were no material transactions and balances with key management personnel individually or in the aggregate (2024: Immaterial). The Group entered into banking transactions with key management personnel in the ordinary course of business.

The Group's aggregate balance of loans and credit card overdrafts to the persons who are considered as related parties according to the relevant rules of Shanghai Stock Exchange was RMB0.43 million as at 31 December 2025 (31 December 2024: RMB0.23 million).

The Bank's aggregate balance of loans and credit card overdrafts to the persons who are considered as related parties according to the relevant rules of the NFRA was RMB135.54 million as at 31 December 2025 (31 December 2024: RMB113.31 million).

The transactions between the Group and the aforementioned parties were conducted in the ordinary course of business under normal terms and conditions and priced based on market rates.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**48. RELATED PARTY DISCLOSURES (CONTINUED)**

**(h) Annuity fund**

Apart from the obligations for defined contributions to the annuity fund established by the Bank, annuity fund held A shares of the Bank with market value of RMB10.81 million as at 31 December 2025 (31 December 2024: RMB42.43 million), and bonds issued by the Bank of RMB698.78 million as at 31 December 2025 (31 December 2024: RMB809.16 million).

**(i) Transactions with state-owned entities in the PRC**

The Group operates in an economic environment predominated by enterprises directly or indirectly owned and/or controlled by the Government through its authorities, affiliates or other organisations (collectively the “state-owned entities”). During the reporting year, the Group entered into extensive banking transactions with these state-owned entities including, but not limited to, lending and deposit taking, taking and placing of interbank balances, entrusted lending and the provision of intermediary services, the sale, purchase, underwriting and redemption of bonds issued by other state-owned entities, and the sale, purchase, and leasing of properties and other assets.

The transactions with state-owned entities are activities conducted in the ordinary course of business under normal terms and conditions and priced based on market rates, and the dealings of the Group have not been significantly or unduly affected by the fact that the Group and those state-owned entities are ultimately controlled or owned by the Government. The Group has also established pricing policies for products and services and such pricing policies do not depend on whether or not the customers are state-owned entities.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**48. RELATED PARTY DISCLOSURES (CONTINUED)**

**(j) Proportion of major related party transactions**

The major balances and transactions with subsidiaries have been eliminated in the consolidated financial statements. When calculating the proportion of related party transactions, transactions with the subsidiaries are excluded.

	31 December 2025		31 December 2024	
	Balance	Percentage	Balance	Percentage
Financial investments	5,845,734	34.57%	4,539,365	32.07%
Due from banks and other financial institutions	377,771	29.89%	273,941	22.46%
Reverse repurchase agreements	41,265	7.78%	86,600	7.16%
Loans and advances to customers	52,216	0.18%	75,794	0.27%
Derivative financial assets	8,130	6.23%	8,031	3.61%
Due to banks and other financial institutions	574,856	11.26%	400,144	8.72%
Repurchase agreements	16,694	0.66%	3,400	0.22%
Derivative financial liabilities	8,502	6.34%	33,006	16.69%
Due to customers	521,771	1.40%	278,696	0.80%
Credit commitments	37,623	0.98%	16,217	0.48%
	<u>2025</u>		<u>2024</u>	
	Amount	Percentage	Amount	Percentage
Interest income	114,553	8.60%	99,230	6.95%
Interest expense	22,749	3.27%	15,958	2.02%

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**49. SEGMENT INFORMATION**

**(a) Operating segments**

The Group is organised into different operating segments, namely corporate banking, personal banking and treasury operations, based on internal organisation structure, management requirements and internal reporting system.

Corporate banking

The corporate banking segment covers the provision of financial products and services to corporations, government agencies and financial institutions. The products and services include corporate loans, trade financing, deposit-taking activities, corporate wealth management services, custody activities and various types of corporate intermediary services.

Personal banking

The personal banking segment covers the provision of financial products and services to individual customers. The products and services include personal loans, deposit-taking activities, card business, personal wealth management services and various types of personal intermediary services.

Treasury operations

The treasury operations segment covers the Group's treasury operations which include money market transactions, investment securities, foreign exchange transactions and the holding of derivative positions for its own accounts or on behalf of customers.

Others

This segment covers the Group's assets, liabilities, income and expenses that are not directly attributable or cannot be allocated to a segment on a reasonable basis.

Management monitors the operating results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group.

Transactions between segments mainly represent the provision of funding to and from individual segments. The internal transfer pricing of these transactions is determined with reference to the market rates and has been reflected in the performance of each segment. Net interest income and expense arising on internal fund transfer are referred to as "internal net interest income or expense". Net interest income and expense relating to third parties are referred to as "external net interest income or expense".

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**49. SEGMENT INFORMATION (CONTINUED)**

**(a) Operating segments (continued)**

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

	2025				Total
	Corporate banking	Personal banking	Treasury operations	Others	
External net interest income/(expense)	367,299	(493)	268,320	-	635,126
Internal net interest (expense)/income	(43,832)	266,133	(222,301)	-	-
Net fee and commission income	67,518	43,022	631	-	111,171
Other income, net (i)	8,851	2,898	41,243	2,106	55,098
Operating income	399,836	311,560	87,893	2,106	801,395
Operating expenses	(100,338)	(123,131)	(21,280)	(2,125)	(246,874)
Impairment (losses)/gains on assets (ii)	(92,574)	(46,665)	4,521	(142)	(134,860)
Operating profit/(loss)	206,924	141,764	71,134	(161)	419,661
Share of results of associates and joint ventures	-	-	-	4,774	4,774
Profit before taxation	206,924	141,764	71,134	4,613	424,435
Income tax expense					(53,669)
Profit for the year					<u>370,766</u>
Other segment information:					
Depreciation and amortisation	10,249	12,785	3,545	130	26,709
Capital expenditure	19,070	24,895	6,666	251	50,882

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**49. SEGMENT INFORMATION (CONTINUED)**

**(a) Operating segments (continued)**

	31 December 2025				Total
	Corporate banking	Personal banking	Treasury operations	Others	
Segment assets	21,248,066	9,379,843	22,621,480	124,095	53,373,484
Including: Investments in associates and joint ventures	-	-	-	78,313	78,313
Property and equipment	98,818	139,438	35,098	20,482	293,836
Other non-current assets (iii)	37,164	21,477	7,772	20,619	87,032
Unallocated assets					<u>104,289</u>
Total assets					<u>53,477,773</u>
Segment liabilities	17,303,479	21,184,408	10,536,232	151,705	49,175,824
Unallocated liabilities					<u>29,925</u>
Total liabilities					<u>49,205,749</u>
Other segment information:					
Credit commitments	<u>2,700,037</u>	<u>1,155,437</u>	<u>-</u>	<u>-</u>	<u>3,855,474</u>

- (i) Includes net trading income, net gains on financial investments and other net operating income and expense.
- (ii) Includes credit impairment losses and impairment losses on other assets.
- (iii) Includes intangible assets, goodwill, long-term deferred expenses, right-of-use assets and other non-current assets.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**49. SEGMENT INFORMATION (CONTINUED)**

**(a) Operating segments (continued)**

	2024				Total
	Corporate banking	Personal banking	Treasury operations	Others	
External net interest income	351,117	24,889	261,399	-	637,405
Internal net interest (expense)/income	(43,280)	243,001	(199,721)	-	-
Net fee and commission income	66,602	41,725	1,070	-	109,397
Other income, net (i)	7,890	523	26,927	3,984	39,324
Operating income	382,329	310,138	89,675	3,984	786,126
Operating expenses	(98,394)	(123,792)	(15,937)	(4,032)	(242,155)
Impairment (losses)/gains on assets (ii)	(39,043)	(87,636)	1,532	(1,516)	(126,663)
Operating profit/(loss)	244,892	98,710	75,270	(1,564)	417,308
Share of results of associates and joint ventures	-	-	-	4,519	4,519
Profit before taxation	244,892	98,710	75,270	2,955	421,827
Income tax expense					(54,881)
Profit for the year					<u>366,946</u>
Other segment information:					
Depreciation and amortisation	10,922	12,730	2,981	112	26,745
Capital expenditure	20,102	24,473	5,534	212	50,321

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**49. SEGMENT INFORMATION (CONTINUED)**

**(a) Operating segments (continued)**

	31 December 2024				Total
	Corporate banking	Personal banking	Treasury operations	Others	
Segment assets	19,463,926	9,029,477	20,083,673	154,623	48,731,699
Including: Investments in associates and joint ventures	-	-	-	73,357	73,357
Property and equipment	108,819	140,972	30,283	22,313	302,387
Other non-current assets (iii)	38,610	20,360	6,161	21,172	86,303
Unallocated assets					<u>90,047</u>
Total assets					<u>48,821,746</u>
Segment liabilities	16,419,197	19,534,790	8,684,636	159,699	44,798,322
Unallocated liabilities					<u>36,158</u>
Total liabilities					<u>44,834,480</u>
Other segment information:					
Credit commitments	<u>2,238,406</u>	<u>1,165,072</u>	<u>-</u>	<u>-</u>	<u>3,403,478</u>

- (i) Includes net trading income, net gains on financial investments and other net operating expense.
- (ii) Includes credit impairment losses and impairment losses on other assets.
- (iii) Includes intangible assets, goodwill, long-term deferred expenses, right-of-use assets and other non-current assets.

**(b) Geographical information**

The Group operates principally in Chinese mainland, and also has branches or subsidiaries operating outside Chinese mainland. The distribution of the geographical areas is as follows.

Chinese mainland (Head Office and domestic branches)

Head Office (“HO”): the HO business divisions (including institutions directly managed by the HO and its offices);

Yangtze River Delta: including Shanghai, Jiangsu, Zhejiang, Ningbo and Suzhou;

Pearl River Delta: including Guangdong, Shenzhen, Fujian and Xiamen;

Bohai Rim: including Beijing, Tianjin, Hebei, Shandong and Qingdao;

Central China: including Shanxi, Henan, Hubei, Hunan, Anhui, Jiangxi and Hainan;

Western China: including Chongqing, Sichuan, Guizhou, Yunnan, Guangxi, Shaanxi, Gansu, Qinghai, Ningxia, Xinjiang, Inner Mongolia and Xizang; and

Northeastern China: including Liaoning, Heilongjiang, Jilin and Dalian.

Overseas and others

Branches located outside Chinese mainland, domestic and overseas subsidiaries, and investments in associates and joint ventures.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**49. SEGMENT INFORMATION (CONTINUED)**

**(b) Geographical information (continued)**

	2025									Total
	Chinese mainland (HO and domestic branches)							Overseas and others	Eliminations	
	Head Office	Yangtze River Delta	Pearl River Delta	Bohai Rim	Central China	Western China	Northeastern China			
External net interest income/(expense)	294,549	85,159	59,720	(9,197)	68,978	94,596	(3,642)	44,963	-	635,126
Internal net interest (expense)/income	(304,783)	45,782	27,352	162,311	28,819	16,300	29,285	(5,066)	-	-
Net fee and commission income	30,262	20,147	11,491	14,634	9,530	9,367	1,935	15,035	(1,230)	111,171
Other income/(expense), net (i)	29,409	(1,047)	(934)	415	154	(290)	276	26,023	1,092	55,098
Operating income	49,437	150,041	97,629	168,163	107,481	119,973	27,854	80,955	(138)	801,395
Operating expenses	(28,391)	(38,020)	(26,900)	(40,569)	(34,185)	(39,422)	(14,333)	(25,192)	138	(246,874)
Impairment gains/(losses) on assets (ii)	43,513	(28,192)	(46,290)	(24,183)	(25,546)	(26,420)	(4,776)	(22,966)	-	(134,860)
Operating profit	64,559	83,829	24,439	103,411	47,750	54,131	8,745	32,797	-	419,661
Share of results of associates and joint ventures	-	-	-	-	-	-	-	4,774	-	4,774
Profit before taxation	64,559	83,829	24,439	103,411	47,750	54,131	8,745	37,571	-	424,435
Income tax expense										(53,669)
Profit for the year										370,766
Other segment information:										
Depreciation and amortisation	4,441	4,091	2,680	3,843	3,557	3,944	1,591	2,562	-	26,709
Capital expenditure	5,477	2,983	2,117	2,788	3,165	3,247	976	30,129	-	50,882

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**49. SEGMENT INFORMATION (CONTINUED)**

**(b) Geographical information (continued)**

	31 December 2025									Total
	Chinese mainland (HO and domestic branches)						Overseas and others	Eliminations		
	Head Office	Yangtze River Delta	Pearl River Delta	Bohai Rim	Central China	Western China				Northeastern China
Assets by geographical areas	6,422,934	14,825,133	9,125,421	8,087,272	6,184,419	6,909,241	1,836,510	4,870,964	(4,888,410)	53,373,484
Including: Investments in associates and joint ventures	-	-	-	-	-	-	-	78,313	-	78,313
Property and equipment	11,840	29,401	13,144	18,661	16,183	19,340	10,758	174,509	-	293,836
Other non-current assets (iii)	29,410	6,712	5,334	6,552	8,082	9,917	2,414	18,611	-	87,032
Unallocated assets										<u>104,289</u>
Total assets										<u>53,477,773</u>
Liabilities by geographical areas	3,036,925	13,365,002	8,150,242	12,516,422	6,262,941	6,337,642	2,859,459	1,535,601	(4,888,410)	49,175,824
Unallocated liabilities										<u>29,925</u>
Total liabilities										<u>49,205,749</u>
Other segment information:										
Credit commitments	<u>1,162,911</u>	<u>1,890,024</u>	<u>1,112,332</u>	<u>1,529,793</u>	<u>931,861</u>	<u>1,088,873</u>	<u>173,839</u>	<u>945,984</u>	<u>(4,980,143)</u>	<u>3,855,474</u>

(i) Includes net trading income, net gains on financial investments and other net operating income and expense.

(ii) Includes credit impairment losses and impairment losses on other assets.

(iii) Includes intangible assets, goodwill, long-term deferred expenses, right-of-use assets and other non-current assets.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**49. SEGMENT INFORMATION (CONTINUED)**

**(b) Geographical information (continued)**

	2024									Total
	Chinese mainland (HO and domestic branches)							Overseas and others	Eliminations	
	Head Office	Yangtze River Delta	Pearl River Delta	Bohai Rim	Central China	Western China	Northeastern China			
External net interest income/(expense)	309,990	69,548	59,671	(23,811)	70,210	95,685	2,633	53,479	-	637,405
Internal net interest (expense)/income	(343,871)	63,424	33,825	173,886	32,743	20,897	24,650	(5,554)	-	-
Net fee and commission income	30,898	19,410	12,503	14,609	8,673	9,135	1,950	13,544	(1,325)	109,397
Other income/(expense), net (i)	26,593	(891)	(925)	(975)	(85)	(795)	560	14,550	1,292	39,324
Operating income	23,610	151,491	105,074	163,709	111,541	124,922	29,793	76,019	(33)	786,126
Operating expenses	(26,847)	(37,865)	(26,846)	(39,395)	(33,754)	(38,684)	(13,550)	(25,247)	33	(242,155)
Impairment gains/(losses) on assets (ii)	35,376	(32,911)	(34,352)	(21,584)	(28,413)	(30,558)	(5,189)	(9,032)	-	(126,663)
Operating profit	32,139	80,715	43,876	102,730	49,374	55,680	11,054	41,740	-	417,308
Share of results of associates and joint ventures	-	-	-	-	-	-	-	4,519	-	4,519
Profit before taxation	32,139	80,715	43,876	102,730	49,374	55,680	11,054	46,259	-	421,827
Income tax expense										(54,881)
Profit for the year										366,946
Other segment information:										
Depreciation and amortisation	4,396	4,140	2,785	3,916	3,610	4,083	1,484	2,331	-	26,745
Capital expenditure	5,489	3,152	2,616	3,191	2,401	2,921	850	29,701	-	50,321

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**49. SEGMENT INFORMATION (CONTINUED)**

**(b) Geographical information (continued)**

	31 December 2024									Total
	Head Office	Yangtze River Delta	Chinese mainland (HO and domestic branches)			Western China	Northeastern China	Overseas and others	Eliminations	
			Pearl River Delta	Bohai Rim	Central China					
Assets by geographical areas	7,841,046	12,434,709	7,718,129	7,246,667	5,406,280	6,270,179	1,696,003	5,753,936	(5,635,250)	48,731,699
Including: Investments in associates and joint ventures	-	-	-	-	-	-	-	73,357	-	73,357
Property and equipment	11,869	30,333	13,457	18,533	16,764	20,374	7,490	183,567	-	302,387
Other non-current assets (iii)	18,869	6,878	5,741	6,897	8,377	9,832	2,140	27,641	(72)	86,303
Unallocated assets										90,047
Total assets										48,821,746
Liabilities by geographical areas	4,716,988	11,143,759	6,759,439	11,183,389	5,441,641	5,672,095	2,560,972	2,955,289	(5,635,250)	44,798,322
Unallocated liabilities										36,158
Total liabilities										44,834,480
Other segment information:										
Credit commitments	1,182,427	1,809,734	1,083,228	1,190,983	859,622	954,749	178,126	834,035	(4,689,426)	3,403,478

(i) Includes net trading income, net gains on financial investments and other net operating expense.

(ii) Includes credit impairment losses and impairment losses on other assets.

(iii) Includes intangible assets, goodwill, long-term deferred expenses, right-of-use assets and other non-current assets.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**50. FINANCIAL RISK MANAGEMENT**

The Bank's board of directors (the "Board") bears the ultimate responsibility for comprehensive risk management and the Bank's Risk Management Committee is responsible for continuously overseeing the Bank's risk management system.

The President supervises risk management and reports directly to the Board. He chairs two management committees including the Risk Management Committee and the Asset and Liability Management Committee, which set the risk management strategies and appetite, evaluate and formulate risk management policies and procedures, and make recommendations through the President to the Risk Management Committee of the Board. The Chief Risk Officer assists the President to supervise the Bank's risk management and make decisions.

The Group has clearly defined the roles of each department in monitoring financial risks within the Group. The Credit Management Department monitors credit risk, the Risk Management Department together with the Asset and Liability Management Department monitor market and liquidity risks, and the Internal Control and Compliance Department monitors operational risk. The Risk Management Department is primarily responsible for establishing and coordinating a comprehensive risk management framework, preparing consolidated reports on credit risk, market risk and operational risk and reporting directly to the Chief Risk Officer.

The Bank maintains a dual-reporting risk management structure at the branch level. Under this structure, the risk management department of the branches report to both the Group Risk Management Department and the management of the branches.

**(a) Credit risk**

Definition and scope

Credit risk is the risk of loss arising from a borrower or counterparty's failure to perform its obligations. Operational failures which result in unauthorised or inappropriate guarantees, financial commitments or investments by the Group may also give rise to credit risk. The Group's credit risk is mainly attributable to its credit assets, due from banks and other financial institutions and financial investments.

The Group is also exposed to credit risk in other areas. The derivative financial assets recorded in the consolidated statement of financial position also reflects the credit risk associated with derivative financial instruments. In addition, the Group provides guarantees for customers and may therefore be required to make payments on their behalf. These payments would be recovered from customers in accordance with the terms of the agreement. Therefore, the Group assumes a credit risk similar to that arising from loans and applies the same risk control procedures and policies to reduce risks.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**50. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(a) Credit risk (continued)**

Credit risk assessment method

*Staging of financial instruments*

The Group classifies financial instruments into three stages and makes provisions for expected credit loss accordingly, depending on whether credit risk on that financial instrument has increased significantly since initial recognition and whether the assets have been credit-impaired. Refer to Note 4(10) Impairment of financial assets for the definition of the three stages.

*Classification of credit risk exposures*

The Group classifies credit risk exposures of expected credit losses with sufficient information by considering factors such as internal ratings-based (“IRB”) segmentation, product types, customer types, industry risk characteristics, and response to macro-economic changes.

*Significant increase in credit risk*

The assessment of significant increase in credit risk since initial recognition is performed at least on a quarterly basis for financial instruments held by the Group. The Group takes into consideration all reasonable and supportable information (including forward-looking information) that reflects significant change in credit risk for the purposes of staging of financial instruments. The main considerations are regulatory and operating environment, internal and external credit risk rating, debt-servicing capacity, operating capabilities, contractual terms, and repayment behaviour and willingness. The Group compares the risk of default of a single financial instrument or a portfolio of financial instruments with similar credit risk characteristics as at the end of the reporting period and its risk of default at the date of initial recognition to determine changes in the risk of default over the expected lifetime of a financial instrument or a portfolio of financial instruments. In determining whether credit risk of a financial instrument has increased significantly since initial recognition, the Group considers factors indicating whether the probability of default has risen above threshold, the background for financing have been authenticated, the financial instrument has been past due for more than 30 days, the loan has been modified in payment term of principal or interest, any significant negative issue has been arisen and any other indicators of increase in risk have been noticed.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**50. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(a) Credit risk (continued)**

Definition of default

The Group defines a corporate borrower as in default when it meets one or more of the following criteria:

- (i) The principal or interest of any credit business is past due more than 90 days (not inclusive) to the Group;
- (ii) The corporate borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as liquidation against collateral; or
- (iii) The corporate borrower has the matters refer to in (i) or (ii) above in other financial institutions.

The Group defines a retail business borrower as in default when any single credit asset of a borrower meets one or more of the following criteria:

- (i) The principal or interest of loan is past due more than 90 days (not inclusive);
- (ii) The retail business borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as liquidation against collateral.

Impairment assessment

A financial asset is generally considered to be credit-impaired if:

- it has been overdue for more than 90 days (not inclusive);
- in light of economic, legal or other factors, the Group has made concessions to a borrower in financial difficulties, which would otherwise have been impossible under normal circumstances;
- it is probable that the borrower will be insolvent or carry out other financial restructurings;
- due to serious financial difficulties, the financial asset cannot continue to be traded in an active market; and
- there are other objective evidences that indicate the financial asset is impaired.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**50. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(a) Credit risk (continued)**

Parameters, assumptions and estimation techniques

Loss allowance for a financial instrument is measured at an amount equal to 12-month ECL or lifetime ECL depending on whether a significant increase in credit risk on that financial instrument has occurred since initial recognition and whether an asset is considered to be credit-impaired. ECL for loans and advances to customers, other than those corporate loans and advance to customers which are credit-impaired, is measured using the risk parametric modelling method. The key parameters include Probability of Default (“PD”), Loss Given Default (“LGD”), and Exposure at Default (“EAD”), considering the time value of money.

PD is the possibility that a customer will default on its obligation within a certain period of time in light of forward-looking information. The Group’s PD is adjusted based on the results of the IRB approach under the New Basel Capital Accord, taking the forward-looking information into account and deducting the prudential adjustment to reflect the debtor’s point-in-time PD under the current macro-economic environment.

LGD is the magnitude of the likely loss if there is a default in light of forward-looking information. LGD depends on the type of counterparty, the method and priority of the recourse, and the type of collateral, taking the forward-looking adjustments into account.

EAD refers to the total amount of on- and off-balance sheet exposures in the event of default and is determined based on the historical repayment records.

The assumptions underlying the ECL calculation, such as how the PDs and LGDs of different maturity profiles change are monitored and reviewed on a quarterly basis by the Group.

The calculation of impairment loss on credit-impaired corporate loans and advance to customers applies the discounted cash flow method. If there is objective evidence that an impairment loss on a loan or advance has incurred, the amount of the loss is measured as the difference between the asset’s gross carrying amount and the present value of estimated future cash flows discounted at the asset’s effective interest rate. The allowance for impairment loss is deducted in the carrying amount. The impairment loss is recognised in the consolidated statement of profit or loss. In determining allowances, the following factors are considered:

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**50. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(a) Credit risk (continued)**

Parameters, assumptions and estimation techniques (continued)

- the sustainability of the borrower’s business plan;
- the borrower’s ability to improve performance when a financial difficulty arises;
- the estimated recoverable cash flows from projects and liquidation;
- the availability of other financial support and the realisable value of collateral; and
- the timing of the expected cash flows.

It may not be possible to identify a single, or discrete events that result in the impairment, but it may be possible to identify impairment through the combined effect of several events. The impairment losses are evaluated at the end of each reporting period unless there are other unforeseen circumstances.

Forward-looking information contained in ECL

The assessment of significant increase in credit risk and the calculation of ECL incorporate forward-looking information. The Group has performed historical data analysis and identified Gross Domestic Product (“GDP”), Consumer Price Index (“CPI”), Broad Money Supply (“M2”), Consumer Confidence Index and other macro-economic indicators as impacting the ECL for each portfolio. The impact of these economic variables on the PD and LGD has been determined by performing statistical regression analysis to understand the correlations among the historical changes of the economic variables, PD and LGD. The impact of these economic variables on the PD and LGD varies according to different types of business. Forecasts of these economic variables are carried out at least quarterly by the Group to provide the best estimate view of the economy over the next year.

When calculating the weighted average ECL provision, the Group determines the optimistic, neutral and pessimistic scenarios and their weightings through a combination of macro-statistical analysis and expert judgement. The optimistic and pessimistic scenarios are of comparable weightings, of which, the weighting of neutral scenario is slightly higher than that of the other two scenarios. The weightings of the scenarios are consistent with those as at 31 December 2024.

As at 31 December 2025, the Group has taken into account different macro-economic scenarios, combined with the impact of factors such as effect of prior period base data on economic development trends, and made forward-looking forecasts of macro-economic indicators. Of which, the year-on-year GDP growth rate used to estimate ECL under neutral scenario is about 5%, and forecasts under optimistic scenario and pessimistic scenario are formed by floating up and down a certain level respectively on the basis of the forecast under neutral scenario.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**50. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(a) Credit risk (continued)**

Forward-looking information contained in ECL (continued)

The Group has carried out sensitivity analysis of macro-economic indicators used in forward-looking measurement. As at 31 December 2025, when the key economic indicators in the neutral scenario moved up or down by 10%, the ECL changed by no more than 5% (31 December 2024: no more than 5%).

Financial assets contract modification

The Group might modify the terms of loan with a customer based on commercial renegotiations, or when the customer is in financial difficulty, with a view to maximising the recovery of loan.

Such modifications include restructuring the loan to provide extended payment term arrangements, payment holidays or payment forgiveness. Restructuring policies and practices are based on indicators or criteria which, in the judgement of management, indicate that payment will most likely continue, and these policies and practices are reviewed regularly. Such restructures are especially common for medium- to long-term loans.

The following table includes carrying amount of rescheduled loans and advance to customers:

	31 December 2025	31 December 2024
Rescheduled loans and advances to customers	156,027	139,086
Including: Impaired loans and advances to customers	<u>53,897</u>	<u>41,821</u>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**50. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(a) Credit risk (continued)**

Collateral and other credit enhancements

The amount and type of collateral required depend on the assessment of credit risk of the counterparty. Guidelines are in place specifying the types of collateral and valuation parameters which can be accepted.

Reverse repurchase business is mainly collateralised by bills and marketable securities. As part of certain reverse repurchase agreements, the Group has received collateral that it is allowed to sell or repledge in the absence of default by their owners.

Corporate loans and discounted bills are mainly collateralised by properties or other assets. As at 31 December 2025, the gross carrying amount of corporate loans and discounted bills amounted to RMB21,503,478 million (31 December 2024: RMB19,414,509 million), of which credit exposure covered by collateral amounted to RMB5,448,852 million (31 December 2024: RMB4,779,598 million).

Personal loans are mainly collateralised by residential properties. As at 31 December 2025, the gross carrying amount of personal loans amounted to RMB9,002,636 million (31 December 2024: RMB8,957,720 million), of which credit exposure covered by collateral amounted to RMB7,449,218 million (31 December 2024: RMB7,590,566 million).

The Group prefers more liquid collateral with relatively stable market value and does not accept collateral that is illiquid, with difficulties in registration or high fluctuations in market value. The value of collateral should be appraised and confirmed by the Group or valuation agencies engaged by the Group. The value of collateral should adequately cover the outstanding balance of loans. The Group takes into consideration the types of collateral, state of condition, liquidity, price volatility and realisation cost to determine the loan-to-value ratio of collateral. All collateral has to be registered in accordance with the relevant laws and regulations. The credit officers inspect the collateral and assess the changes in the value of collateral regularly.

The Group monitors the market value of the collateral and when needed, require additional collateral according to agreements. The Group disposes of repossessed assets in an orderly manner.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**50. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(a) Credit risk (continued)**

Collateral and other credit enhancements (continued)

- (i) Maximum exposure to credit risk without taking into account of any collateral and other credit enhancements

As at the end of the reporting period, the maximum credit risk exposure of the Group without taking into account any collateral and other credit enhancements is set out below:

	31 December 2025	31 December 2024
Balances with central banks	3,601,690	3,250,842
Due from banks and other financial institutions	1,264,019	1,219,876
Derivative financial assets	130,414	222,361
Reverse repurchase agreements	530,737	1,210,217
Loans and advances to customers	29,712,359	27,613,781
Financial investments		
Financial investments measured at FVTPL	635,507	770,192
Financial investments measured at FVTOCI	3,725,614	3,205,926
Financial investments measured at amortised cost	12,140,183	9,851,985
Others	140,716	131,680
	<u>51,881,239</u>	<u>47,476,860</u>
Credit commitments	<u>3,855,474</u>	<u>3,403,478</u>
Maximum credit risk exposure	<u>55,736,713</u>	<u>50,880,338</u>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**50. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(a) Credit risk (continued)**

Collateral and other credit enhancements (continued)

(ii) Risk concentrations

Credit risk is often greater when counterparties are concentrated in one single industry or geographic location or have comparable economic features. In addition, different geographic areas and industrial sectors have their unique characteristics in terms of economic development, and could present a different credit risk.

(1) Loans and advances to customers

By geographical distribution

The composition of the Group's gross loans and advances to customers (excluding accrued interest) by geographical distribution is as follows:

	31 December 2025		31 December 2024	
	Amount	Percentage	Amount	Percentage
Head Office	849,602	2.79%	874,284	3.08%
Yangtze River Delta	6,756,827	22.15%	6,182,636	21.78%
Western China	5,688,006	18.64%	5,233,652	18.45%
Bohai Rim	5,109,713	16.75%	4,677,575	16.49%
Central China	4,853,907	15.91%	4,416,409	15.57%
Pearl River Delta	4,613,631	15.12%	4,348,121	15.33%
Northeastern China	1,155,520	3.79%	1,158,000	4.08%
Overseas and others	1,478,908	4.85%	1,481,552	5.22%
<b>Total</b>	<b>30,506,114</b>	<b>100.00%</b>	<b>28,372,229</b>	<b>100.00%</b>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**50. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(a) Credit risk (continued)**

Collateral and other credit enhancements (continued)

(ii) Risk concentrations (continued)

(1) Loans and advances to customers (continued)

By industry

The composition of the Group's gross loans and advances to customers (excluding accrued interest) by industry is as follows:

	31 December 2025	31 December 2024
Transportation, storage and postal services	4,207,325	4,051,167
Leasing and commercial services	2,882,603	2,523,970
Manufacturing	2,851,934	2,575,716
Production and supply of electricity, heating, gas and water	1,974,823	1,868,505
Water, environment and public utility management	1,924,544	1,863,449
Real estate	1,087,640	1,110,747
Wholesale and retail	1,016,690	831,967
Finance	813,247	842,033
Construction	558,476	516,972
Science, education, culture and sanitation	483,211	426,677
Mining	456,318	374,331
Others	584,860	496,689
Subtotal for corporate loans	<u>18,841,671</u>	<u>17,482,223</u>
Personal mortgage and business loans	7,806,087	7,761,161
Others	1,196,549	1,196,559
Subtotal for personal loans	<u>9,002,636</u>	<u>8,957,720</u>
Discounted bills	<u>2,661,807</u>	<u>1,932,286</u>
Total for loans and advances to customers	<u><u>30,506,114</u></u>	<u><u>28,372,229</u></u>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**50. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(a) Credit risk (continued)**

Collateral and other credit enhancements (continued)

(ii) Risk concentrations (continued)

(1) Loans and advances to customers (continued)

By collateral

The composition of the Group's gross loans and advances to customers (excluding accrued interest) by collateral is as follows:

	31 December 2025	31 December 2024
Unsecured loans	12,170,570	11,078,420
Guaranteed loans	2,753,819	2,708,808
Loans secured by mortgages	10,803,253	10,787,880
Pledged loans	4,778,472	3,797,121
Total	<u>30,506,114</u>	<u>28,372,229</u>

Overdue loans

The composition of the Group's gross overdue loans (excluding accrued interest) by collateral is as follows:

	31 December 2025				Total
	Overdue for 1 to 90 days	Overdue for 91 days to 1 year	Overdue for 1 to 3 years	Overdue for over 3 years	
Unsecured loans	26,466	45,357	41,392	13,139	126,354
Guaranteed loans	13,004	15,023	24,451	11,257	63,735
Loans secured by mortgages	89,921	75,437	78,213	22,367	265,938
Pledged loans	916	1,086	1,031	3,675	6,708
Total	<u>130,307</u>	<u>136,903</u>	<u>145,087</u>	<u>50,438</u>	<u>462,735</u>

	31 December 2024				Total
	Overdue for 1 to 90 days	Overdue for 91 days to 1 year	Overdue for 1 to 3 years	Overdue for over 3 years	
Unsecured loans	35,138	40,223	37,036	13,592	125,989
Guaranteed loans	9,712	17,125	23,011	6,611	56,459
Loans secured by mortgages	76,542	61,971	61,143	17,870	217,526
Pledged loans	968	1,260	3,456	1,081	6,765
Total	<u>122,360</u>	<u>120,579</u>	<u>124,646</u>	<u>39,154</u>	<u>406,739</u>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**50. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(a) Credit risk (continued)**

Collateral and other credit enhancements (continued)

(ii) Risk concentrations (continued)

(2) Debt securities investments

By issuers

The following tables present an analysis of the Group's debt securities investments (excluding accrued interest) by types of issuers and investments:

	31 December 2025			Total
	Financial investments measured at FVTPL	Financial investments measured at FVTOCI	Financial investments measured at amortised cost	
Governments and central banks	285,792	1,529,473	10,750,122	12,565,387
Policy banks	47,495	913,419	409,316	1,370,230
Banks and other financial institutions	186,135	496,640	777,216	1,459,991
Corporate entities	86,816	746,110	84,175	917,101
	<u>606,238</u>	<u>3,685,642</u>	<u>12,020,829</u>	<u>16,312,709</u>
	31 December 2024			Total
	Financial investments measured at FVTPL	Financial investments measured at FVTOCI	Financial investments measured at amortised cost	
Governments and central banks	402,632	1,673,679	8,346,596	10,422,907
Policy banks	35,688	512,411	549,026	1,097,125
Banks and other financial institutions	230,594	398,174	769,838	1,398,606
Corporate entities	70,067	588,449	67,768	726,284
	<u>738,981</u>	<u>3,172,713</u>	<u>9,733,228</u>	<u>13,644,922</u>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**50. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(a) Credit risk (continued)**

Collateral and other credit enhancements (continued)

(ii) Risk concentrations (continued)

(2) Debt securities investments (continued)

By rating

The Group adopts a credit rating approach to manage the credit risk of the debt securities portfolio held. The ratings are obtained from Bloomberg Composite, or major rating agencies in the countries where the issuers of debt securities are located. The carrying amounts of debt securities investments (excluding accrued interest) analysed by rating as at the end of the reporting period are as follows:

	31 December 2025					Total
	Unrated	AAA	AA	A	Below A	
Governments and central banks	4,718,801	7,539,925	147,224	100,709	58,728	12,565,387
Policy banks	1,155,623	123,136	17,709	73,348	414	1,370,230
Banks and other financial institutions	703,794	398,231	66,444	205,294	86,228	1,459,991
Corporate entities	370,009	366,895	36,759	104,135	39,303	917,101
	<u>6,948,227</u>	<u>8,428,187</u>	<u>268,136</u>	<u>483,486</u>	<u>184,673</u>	<u>16,312,709</u>
	31 December 2024					Total
	Unrated	AAA	AA	A	Below A	
Governments and central banks	3,330,132	6,825,677	124,512	77,960	64,626	10,422,907
Policy banks	923,671	79,897	37,269	55,829	459	1,097,125
Banks and other financial institutions	611,520	380,105	68,488	219,349	119,144	1,398,606
Corporate entities	181,918	378,178	11,860	119,431	34,897	726,284
	<u>5,047,241</u>	<u>7,663,857</u>	<u>242,129</u>	<u>472,569</u>	<u>219,126</u>	<u>13,644,922</u>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**50. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(a) Credit risk (continued)**

Collateral and other credit enhancements (continued)

(iii) Three-stage analysis of financial instruments' risk exposure

The Group's credit risk stages of financial instruments are as follows:

	31 December 2025							
	Gross carrying amount				Provision for ECL			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Financial assets measured at amortised cost</b>								
Cash and balances with central banks	3,674,558	-	-	3,674,558	-	-	-	-
Due from banks and other financial institutions	1,266,605	-	152	1,266,757	(2,586)	-	(152)	(2,738)
Reverse repurchase agreements	512,884	-	-	512,884	(32)	-	-	(32)
Loans and advances to customers	26,630,931	871,568	398,832	27,901,331	(349,667)	(166,682)	(335,401)	(851,750)
Financial investments	12,171,192	2,055	3,139	12,176,386	(33,199)	(305)	(2,699)	(36,203)
<b>Total</b>	<b>44,256,170</b>	<b>873,623</b>	<b>402,123</b>	<b>45,531,916</b>	<b>(385,484)</b>	<b>(166,987)</b>	<b>(338,252)</b>	<b>(890,723)</b>
<b>Financial assets measured at FVTOCI</b>								
Loans and advances to customers	2,652,505	2,903	181	2,655,589	(242)	(136)	(146)	(524)
Financial investments	3,720,566	4,797	251	3,725,614	(4,844)	(384)	(3,368)	(8,596)
<b>Total</b>	<b>6,373,071</b>	<b>7,700</b>	<b>432</b>	<b>6,381,203</b>	<b>(5,086)</b>	<b>(520)</b>	<b>(3,514)</b>	<b>(9,120)</b>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**50. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(a) Credit risk (continued)**

Collateral and other credit enhancements (continued)

(iii) Three-stage analysis of financial instruments' risk exposure (continued)

The Group's credit risk stages of financial instruments are as follows (continued):

	31 December 2024							
	Gross carrying amount				Provision for ECL			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Financial assets measured at amortised cost</b>								
Cash and balances with central banks	3,322,911	-	-	3,322,911	-	-	-	-
Due from banks and other financial institutions	1,224,065	-	158	1,224,223	(4,189)	-	(158)	(4,347)
Reverse repurchase agreements	1,189,933	-	-	1,189,933	(33)	-	-	(33)
Loans and advances to customers	25,300,817	795,620	379,423	26,475,860	(354,083)	(156,502)	(304,487)	(815,072)
Financial investments	9,885,410	1,836	3,142	9,890,388	(35,540)	(11)	(2,852)	(38,403)
<b>Total</b>	<b>40,923,136</b>	<b>797,456</b>	<b>382,723</b>	<b>42,103,315</b>	<b>(393,845)</b>	<b>(156,513)</b>	<b>(307,497)</b>	<b>(857,855)</b>
<b>Financial assets measured at FVTOCI</b>								
Loans and advances to customers	1,947,015	938	35	1,947,988	(353)	(51)	(21)	(425)
Financial investments	3,196,321	9,203	402	3,205,926	(4,565)	(635)	(3,825)	(9,025)
<b>Total</b>	<b>5,143,336</b>	<b>10,141</b>	<b>437</b>	<b>5,153,914</b>	<b>(4,918)</b>	<b>(686)</b>	<b>(3,846)</b>	<b>(9,450)</b>

As at 31 December 2025 and 2024, credit risk exposures of credit commitments were mainly classified in Stage 1.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**50. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(b) Liquidity risk**

Liquidity risk is the risk that funds will not be sufficient or raised at a reasonable cost in a timely manner to meet the need of asset growth or repayment of debts due, although the Group remains solvent. This may arise from amount or maturity mismatches of assets and liabilities.

The Group manages its liquidity risk through the Asset and Liability Management Department and aims at:

- optimising the structure of assets and liabilities;
- maintaining the stability of the deposit base;
- projecting cash flows and evaluating the level of current assets; and
- maintaining an efficient internal fund transfer mechanism to ensure sufficient liquidity at branch level.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**50. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(b) Liquidity risk (continued)**

(i) Maturity analysis of assets and liabilities

The tables below summarise the maturity profile of the Group's assets and liabilities. The actual remaining maturity of the Group's financial instruments may vary significantly from the following analysis. For example, demand deposits from customers are expected to maintain a stable or increasing balance although they have been classified as repayable on demand in the following tables.

	31 December 2025							Total
	Overdue/ repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	Over five years	Undated (iii)	
<b>Assets:</b>								
Cash and balances with central banks	997,661	2,222	2,978	5,050	2,858	-	2,663,789	3,674,558
Due from banks and other financial institutions (i)	310,734	671,040	275,882	492,675	44,425	-	-	1,794,756
Derivative financial assets	-	31,145	38,422	46,471	11,871	2,505	-	130,414
Loans and advances to customers	56,715	1,408,029	1,834,539	7,069,964	5,133,915	14,089,891	119,306	29,712,359
Financial investments								
Financial investments measured at FVTPL	126,951	19,298	79,656	207,872	190,423	182,374	137,379	943,953
Financial investments measured at FVTOCI	-	197,770	161,923	744,274	1,720,458	900,993	97,861	3,823,279
Financial investments measured at amortised cost	-	224,505	528,617	1,339,672	4,756,145	5,290,794	450	12,140,183
Investments in associates and joint ventures	-	-	-	-	-	-	78,313	78,313
Property and equipment	-	-	-	-	-	-	293,836	293,836
Others	283,207	302,189	50,067	87,116	17,024	26,556	119,963	886,122
<b>Total assets</b>	<b>1,775,268</b>	<b>2,856,198</b>	<b>2,972,084</b>	<b>9,993,094</b>	<b>11,877,119</b>	<b>20,493,113</b>	<b>3,510,897</b>	<b>53,477,773</b>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**50. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(b) Liquidity risk (continued)**

(i) Maturity analysis of assets and liabilities (continued)

	31 December 2025							
	Overdue/ repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	Over five years	Undated (iii)	Total
<b>Liabilities:</b>								
Due to central banks	-	14,144	41,861	120,788	-	-	-	176,793
Due to banks and other financial institutions (ii)	2,678,422	1,132,835	1,700,075	2,075,384	50,953	1,954	-	7,639,623
Financial liabilities measured at FVTPL	138,308	5,051	1,962	2,726	1,819	330	-	150,196
Derivative financial liabilities	-	35,306	33,853	52,761	10,571	1,591	-	134,082
Certificates of deposit	-	61,909	117,830	241,530	81,324	-	-	502,593
Due to customers	14,936,085	2,797,021	3,139,256	7,786,751	8,615,322	37,343	-	37,311,778
Debt securities issued	-	158,924	311,476	816,483	195,163	734,761	-	2,216,807
Others	-	537,726	150,347	101,818	115,453	168,533	-	1,073,877
Total liabilities	<u>17,752,815</u>	<u>4,742,916</u>	<u>5,496,660</u>	<u>11,198,241</u>	<u>9,070,605</u>	<u>944,512</u>	<u>-</u>	<u>49,205,749</u>
Net liquidity gap	<u>(15,977,547)</u>	<u>(1,886,718)</u>	<u>(2,524,576)</u>	<u>(1,205,147)</u>	<u>2,806,514</u>	<u>19,548,601</u>	<u>3,510,897</u>	<u>4,272,024</u>

(i) Includes reverse repurchase agreements.

(ii) Includes repurchase agreements.

(iii) Undated loans and advances to customers and financial investments are impaired or not impaired but overdue for more than one month.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**50. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(b) Liquidity risk (continued)**

(i) Maturity analysis of assets and liabilities (continued)

	31 December 2024							Total
	Overdue/ repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	Over five years	Undated (iii)	
<b>Assets:</b>								
Cash and balances with central banks	663,560	12,057	3,989	6,993	1,419	-	2,634,893	3,322,911
Due from banks and other financial institutions (i)	376,826	1,411,071	274,396	324,274	43,526	-	-	2,430,093
Derivative financial assets	-	40,353	56,970	106,761	12,752	5,525	-	222,361
Loans and advances to customers	55,352	1,401,798	1,524,797	5,809,922	5,157,599	13,541,001	123,312	27,613,781
Financial investments								
Financial investments measured at FVTPL	115,122	10,507	34,325	277,426	249,601	211,580	111,878	1,010,439
Financial investments measured at FVTOCI	-	118,609	263,122	615,595	1,442,912	765,555	85,359	3,291,152
Financial investments measured at amortised cost	-	111,481	220,800	1,467,655	3,388,429	4,663,189	431	9,851,985
Investments in associates and joint ventures	-	-	-	-	-	-	73,357	73,357
Property and equipment	-	-	-	-	-	-	302,387	302,387
Others	183,447	233,352	41,809	72,476	28,340	32,073	111,783	703,280
Total assets	<u>1,394,307</u>	<u>3,339,228</u>	<u>2,420,208</u>	<u>8,681,102</u>	<u>10,324,578</u>	<u>19,218,923</u>	<u>3,443,400</u>	<u>48,821,746</u>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**50. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(b) Liquidity risk (continued)**

(i) Maturity analysis of assets and liabilities (continued)

	31 December 2024							Total
	Overdue/ repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	Over five years	Undated (iii)	
<b>Liabilities:</b>								
Due to central banks	-	9,874	46,175	113,573	-	-	-	169,622
Due to banks and other financial institutions (ii)	2,757,012	844,462	638,061	1,571,697	297,196	6,092	-	6,114,520
Financial liabilities measured at FVTPL	66,164	2,459	895	4,615	1,669	254	-	76,056
Derivative financial liabilities	-	48,034	53,927	80,581	11,533	3,720	-	197,795
Certificates of deposit	-	59,484	15,729	327,008	43,198	-	-	445,419
Due to customers	13,778,148	1,781,556	2,736,664	7,896,577	8,631,898	12,130	-	34,836,973
Debt securities issued	-	149,859	138,098	826,703	229,287	684,775	-	2,028,722
Others	-	368,453	167,171	118,288	145,613	165,848	-	965,373
Total liabilities	<u>16,601,324</u>	<u>3,264,181</u>	<u>3,796,720</u>	<u>10,939,042</u>	<u>9,360,394</u>	<u>872,819</u>	<u>-</u>	<u>44,834,480</u>
Net liquidity gap	<u>(15,207,017)</u>	<u>75,047</u>	<u>(1,376,512)</u>	<u>(2,257,940)</u>	<u>964,184</u>	<u>18,346,104</u>	<u>3,443,400</u>	<u>3,987,266</u>

(i) Includes reverse repurchase agreements.

(ii) Includes repurchase agreements.

(iii) Undated loans and advances to customers and financial investments are impaired or not impaired but overdue for more than one month.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**50. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(b) Liquidity risk (continued)**

(ii) Maturity analysis of undiscounted contractual cash flows

The tables below summarise the maturity profile of the Group's financial instruments based on the undiscounted contractual cash flows. The balances of some items in the tables below are different from the balances in the consolidated statement of financial position as the tables incorporate all cash flows relating to both principal and interest. The Group's actual cash flows on these instruments may vary significantly from the following analysis. For example, demand deposits from customers are expected to maintain a stable or increasing balance although they have been classified as repayable on demand in the following tables.

	31 December 2025							Total
	Overdue/ repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	Over five years	Undated (iv)	
<b>Non-derivative cash flows:</b>								
<b>Financial assets:</b>								
Cash and balances with central banks	997,661	2,228	2,993	5,193	2,917	-	2,663,789	3,674,781
Due from banks and other financial institutions (i)	310,807	673,569	279,272	505,596	56,386	-	-	1,825,630
Loans and advances to customers (ii)	57,845	1,435,718	1,871,886	7,279,561	5,623,394	16,420,497	455,802	33,144,703
Financial investments								
Financial investments measured at FVTPL	126,951	19,364	80,228	214,780	213,329	201,720	137,379	993,751
Financial investments measured at FVTOCI	-	198,804	165,867	785,959	1,889,864	1,089,276	97,861	4,227,631
Financial investments measured at amortised cost	-	226,061	543,832	1,519,949	5,632,735	6,409,514	3,020	14,335,111
Others	279,690	341,197	33,290	73,985	13,634	4,778	-	746,574
	<u>1,772,954</u>	<u>2,896,941</u>	<u>2,977,368</u>	<u>10,385,023</u>	<u>13,432,259</u>	<u>24,125,785</u>	<u>3,357,851</u>	<u>58,948,181</u>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**50. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(b) Liquidity risk (continued)**

(ii) Maturity analysis of undiscounted contractual cash flows (continued)

	31 December 2025							
	Overdue/ repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	Over five years	Undated (iv)	Total
<b>Financial liabilities:</b>								
Due to central banks	-	14,254	42,080	121,777	-	-	-	178,111
Due to banks and other financial institutions (iii)	2,678,422	1,142,563	1,720,256	2,104,974	59,921	3,736	-	7,709,872
Financial liabilities measured at FVTPL	138,308	5,317	2,010	2,841	2,028	373	-	150,877
Certificates of deposit	-	62,121	118,419	246,243	84,905	-	-	511,688
Due to customers	14,937,484	2,798,865	3,149,229	7,877,497	9,036,525	40,428	-	37,840,028
Debt securities issued	-	159,314	313,056	838,341	295,794	811,690	-	2,418,195
Others	-	529,379	13,349	13,926	16,762	3,430	-	576,846
	<u>17,754,214</u>	<u>4,711,813</u>	<u>5,358,399</u>	<u>11,205,599</u>	<u>9,495,935</u>	<u>859,657</u>	<u>-</u>	<u>49,385,617</u>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**50. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(b) Liquidity risk (continued)**

(ii) Maturity analysis of undiscounted contractual cash flows (continued)

	31 December 2025							Total
	Overdue/ repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	Over five years	Undated (iv)	
<b>Derivative cash flows:</b>								
Derivative financial instruments settled on net basis	-	(774)	23	464	602	84	-	399
Derivative financial instruments settled on gross basis								
Including: Cash inflow	-	3,785,495	3,623,839	5,679,299	526,430	42,318	-	13,657,381
Cash outflow	-	(3,813,240)	(3,601,147)	(5,680,757)	(529,203)	(42,437)	-	(13,666,784)
	-	(27,745)	22,692	(1,458)	(2,773)	(119)	-	(9,403)

(i) Includes reverse repurchase agreements.

(ii) The maturity profile of the rescheduled loans' undiscounted contractual cash flows is determined according to the negotiated terms.

(iii) Includes repurchase agreements.

(iv) Undated loans and advances to customers and financial investments are impaired or not impaired but overdue for more than one month.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**50. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(b) Liquidity risk (continued)**

(ii) Maturity analysis of undiscounted contractual cash flows (continued)

	31 December 2024							
	Overdue/ repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	Over five years	Undated (iv)	Total
<b>Non-derivative cash flows:</b>								
<b>Financial assets:</b>								
Cash and balances with central banks	663,560	12,147	4,017	7,566	1,421	-	2,634,893	3,323,604
Due from banks and other financial institutions (i)	377,144	1,413,614	279,741	333,163	47,091	-	-	2,450,753
Loans and advances to customers (ii)	56,509	1,431,667	1,558,220	6,007,274	5,721,992	16,183,016	428,944	31,387,622
Financial investments								
Financial investments measured at FVTPL	115,126	13,436	39,687	287,394	281,878	228,586	113,215	1,079,322
Financial investments measured at FVTOCI	-	140,683	271,622	664,584	1,565,377	912,364	89,750	3,644,380
Financial investments measured at amortised cost	-	130,173	264,932	1,680,678	4,154,919	5,665,433	3,132	11,899,267
Others	175,473	217,418	27,027	66,303	31,720	18,869	-	536,810
	<u>1,387,812</u>	<u>3,359,138</u>	<u>2,445,246</u>	<u>9,046,962</u>	<u>11,804,398</u>	<u>23,008,268</u>	<u>3,269,934</u>	<u>54,321,758</u>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**50. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(b) Liquidity risk (continued)**

(ii) Maturity analysis of undiscounted contractual cash flows (continued)

	31 December 2024							
	Overdue/ repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	Over five years	Undated (iv)	Total
<b>Financial liabilities:</b>								
Due to central banks	-	10,018	46,418	114,666	-	-	-	171,102
Due to banks and other financial institutions (iii)	2,757,012	849,510	648,907	1,608,813	317,848	6,743	-	6,188,833
Financial liabilities measured at FVTPL	66,164	2,642	1,258	4,915	2,330	287	-	77,596
Certificates of deposit	-	63,560	15,879	365,204	44,952	-	-	489,595
Due to customers	13,859,932	1,795,548	2,744,063	7,903,231	9,037,518	14,583	-	35,354,875
Debt securities issued	-	150,198	138,850	854,712	338,267	772,365	-	2,254,392
Others	-	360,896	13,937	18,698	37,631	17,007	-	448,169
	<u>16,683,108</u>	<u>3,232,372</u>	<u>3,609,312</u>	<u>10,870,239</u>	<u>9,778,546</u>	<u>810,985</u>	<u>-</u>	<u>44,984,562</u>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**50. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(b) Liquidity risk (continued)**

(ii) Maturity analysis of undiscounted contractual cash flows (continued)

	31 December 2024							Total
	Overdue/ repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	Over five years	Undated (iv)	
<b>Derivative cash flows:</b>								
Derivative financial instruments settled on net basis	-	(12,072)	(22,700)	(73,896)	3,962	58	-	(104,648)
Derivative financial instruments settled on gross basis								
Including: Cash inflow	-	2,253,093	1,513,483	3,523,819	429,830	50,987	-	7,771,212
Cash outflow	-	(2,244,458)	(1,490,156)	(3,348,141)	(430,755)	(51,330)	-	(7,564,840)
	-	8,635	23,327	175,678	(925)	(343)	-	206,372

(i) Includes reverse repurchase agreements.

(ii) The maturity profile of the rescheduled loans' undiscounted contractual cash flows is determined according to the negotiated terms.

(iii) Includes repurchase agreements.

(iv) Undated loans and advances to customers and financial investments are impaired or not impaired but overdue for more than one month.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**50. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(b) Liquidity risk (continued)**

(iii) Analysis of credit commitments by contractual expiry date

Management does not expect all of the commitments to be drawn down before the expiry of the commitments.

	31 December 2025						Total
	Repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	Over five years	
Credit commitments	<u>1,342,234</u>	<u>252,229</u>	<u>483,272</u>	<u>1,023,864</u>	<u>577,330</u>	<u>176,545</u>	<u>3,855,474</u>

	31 December 2024						Total
	Repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	Over five years	
Credit commitments	<u>1,250,483</u>	<u>197,971</u>	<u>441,314</u>	<u>820,351</u>	<u>562,731</u>	<u>130,628</u>	<u>3,403,478</u>

**(c) Market risk**

Market risk is the risk of loss, in respect of the Group's on- and off-balance sheet activities, arising from adverse movements in market rates including interest rates, foreign exchange rates, commodity prices and stock prices. Market risk arises from both the Group's trading and non-trading businesses. The market risk disclosed in this note excludes the interest rate risk in the banking book. For analysis of the interest rate risk in the banking book, please refer to Note 50(d).

The market risk in the Group's trading book primarily arises from the exposures to exchange rate contracts, interest rate contracts and commodity derivatives held in the trading book for market-making purposes or on behalf of customers.

The Group's currency risk mainly results from the risk arising from exchange rate fluctuations on its foreign exchange exposures. Foreign exchange exposures include the foreign exchange exposures arising from currency structural imbalance between foreign currency assets and liabilities, and off-balance sheet foreign exchange exposures arising from currency derivative transactions.

The Group considers the market risk arising from stock price fluctuations in respect of its investment portfolios to be immaterial.

Sensitivity analysis and foreign exchange risk concentration analysis are the major market risk management tools used by the Group. The Bank monitors market risk separately in respect of trading and other non-trading portfolios. The Value-at-Risk (VaR) analysis is a major tool used by the Bank to measure and monitor the market risk of its trading portfolios. The following sections include a Value-at-Risk (VaR) analysis by risk type of the Group's trading portfolios and a sensitivity analysis based on the Group's currency risk exposure.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**50. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(c) Market risk (continued)**

(i) Trading Book VaR

VaR is a measure index which estimates the potential maximum losses that could occur on risk positions taken due to movements in interest rates, foreign exchange rates or prices over a specified time horizon and at a specified level of confidence. The Bank adopts a historical simulation method to calculate and monitor the VaRs of trading portfolios with 250 days' historical market data (with a 99% confidence level, and one-day holding period) on a daily basis.

A summary of VaRs of trading book by risk type is as follows:

	2025			
	End of year	Average	Maximum	Minimum
Interest rate risk	168	281	475	138
Currency risk	219	324	535	173
Commodity risk	30	29	73	8
Total portfolio VaR	280	408	572	209
	2024			
	End of year	Average	Maximum	Minimum
Interest rate risk	301	171	336	83
Currency risk	305	279	475	124
Commodity risk	22	19	40	11
Total portfolio VaR	466	317	470	232

VaR for each risk factor is the derived largest potential loss due to fluctuations solely in that risk factor. As there is a diversification effect due to the correlation amongst the risk factors, the individual VaRs do not add up to the total portfolio VaR.

Although VaR is an important tool for measuring market risk under normal market environment, the assumptions on which the model is based do give rise to some limitations, mainly including the following:

- (1) VaR does not reflect liquidity risk. In the VaR model, a one-day holding period assumes that it is possible to hedge or dispose of positions within that period without restriction, the price of the financial instruments will fluctuate in the specified range, and the correlation between these market prices will remain basically unchanged. This may not fully reflect the market risk arising at times of severe illiquidity, when a one-day holding period may be insufficient to hedge or dispose of all positions fully;
- (2) Even though positions may change throughout the day, VaR only represents the risk of the portfolios at the close of each business day, and it does not account for any losses that may occur beyond the 99% confidence level; and
- (3) VaR relies heavily on historical data to provide information and may not clearly predict the future changes and modifications of the risk factors, especially those of an exceptional nature due to significant market moves.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**50. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(c) Market risk (continued)**

(ii) Currency risk

The Group conducts its businesses mainly in RMB, with certain transactions denominated in USD, HKD, and other currencies to a lesser extent. The exchange rate of RMB to USD is managed under a floating exchange rate system. The HKD exchange rate has been pegged to the USD and therefore the exchange rate of RMB to HKD has fluctuated in line with the changes in the exchange rate of RMB to USD. Transactions in foreign currencies mainly arise from the Group's foreign currency treasury operations, commissioned foreign exchange dealings for clients and overseas investments.

The Group manages its currency risk exposure through various methods, including limit management and risk hedging to hedge currency risk, and performs currency risk sensitivity analysis and stress testing regularly.

The tables below indicate a sensitivity analysis of exchange rate changes of the main foreign currencies to which the Group had significant on- and off-balance sheet exposure on its monetary assets and liabilities and its estimated future cash flows. The analysis calculates the effect of a reasonably possible movement in the currency rates against RMB, with all other variables held constant, on profit before taxation and equity. The impact on equity only includes the impact on other comprehensive income. A negative amount in the table reflects a potential net reduction in profit before taxation or equity, while a positive amount reflects a potential net increase. While the table below indicates the effect on profit before taxation and equity of a 1% depreciation of USD and HKD against RMB, there will be an opposite effect with the same amount if the currencies appreciate by the same percentage. This effect, however, is based on the assumption that the Group's foreign exchange exposures as at the end of the reporting period are kept unchanged and, therefore, has not incorporated actions that would be taken by the Group to mitigate the adverse impact of this currency risk.

Currency	Change in exchange rate	Effect on profit before taxation		Effect on equity	
		31 December 2025	31 December 2024	31 December 2025	31 December 2024
USD	-1%	(63)	(321)	(575)	(708)
HKD	-1%	460	274	(1,552)	(1,565)

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**50. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(c) Market risk (continued)**

(ii) Currency risk (continued)

A breakdown of the assets and liabilities analysed by currency is as follows:

	31 December 2025				Total (in RMB equivalent)
	RMB	USD (in RMB equivalent)	HKD (in RMB equivalent)	Other (in RMB equivalent)	
<b>Assets:</b>					
Cash and balances with central banks	3,278,259	266,907	5,837	123,555	3,674,558
Due from banks and other financial institutions (i)	804,913	676,240	49,416	264,187	1,794,756
Derivative financial assets	63,076	52,972	2,350	12,016	130,414
Loans and advances to customers	28,403,139	647,011	285,188	377,021	29,712,359
Financial investments					
Financial investments measured at FVTPL	889,993	26,602	9,267	18,091	943,953
Financial investments measured at FVTOCI	3,149,531	467,177	54,675	151,896	3,823,279
Financial investments measured at amortised cost	11,741,057	216,791	28,006	154,329	12,140,183
Investments in associates and joint ventures	46,502	922	161	30,728	78,313
Property and equipment	132,365	154,917	4,485	2,069	293,836
Others	487,891	123,720	7,581	266,930	886,122
<b>Total assets</b>	<b>48,996,726</b>	<b>2,633,259</b>	<b>446,966</b>	<b>1,400,822</b>	<b>53,477,773</b>
<b>Liabilities:</b>					
Due to central banks	175,842	951	-	-	176,793
Due to banks and other financial institutions (ii)	6,864,354	521,108	65,475	188,686	7,639,623
Financial liabilities measured at FVTPL	4,106	2,728	1	143,361	150,196
Derivative financial liabilities	79,838	43,505	2,588	8,151	134,082
Certificates of deposit	173,010	219,860	82,291	27,432	502,593
Due to customers	35,503,269	1,036,830	356,438	415,241	37,311,778
Debt securities issued	2,095,243	102,421	-	19,143	2,216,807
Others	827,714	208,073	7,959	30,131	1,073,877
<b>Total liabilities</b>	<b>45,723,376</b>	<b>2,135,476</b>	<b>514,752</b>	<b>832,145</b>	<b>49,205,749</b>
Net long/(short) position	3,273,350	497,783	(67,786)	568,677	4,272,024
Credit commitments	3,010,379	525,204	47,792	272,099	3,855,474

(i) Includes reverse repurchase agreements.

(ii) Includes repurchase agreements.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**50. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(c) Market risk (continued)**

(ii) Currency risk (continued)

A breakdown of the assets and liabilities analysed by currency is as follows: (continued)

	31 December 2024				Total (in RMB equivalent)
	RMB	USD (in RMB equivalent)	HKD (in RMB equivalent)	Other (in RMB equivalent)	
<b>Assets:</b>					
Cash and balances with central banks	3,009,110	181,040	9,580	123,181	3,322,911
Due from banks and other financial institutions (i)	1,552,443	587,177	65,538	224,935	2,430,093
Derivative financial assets	170,301	23,754	11,813	16,493	222,361
Loans and advances to customers	26,304,262	651,996	315,362	342,161	27,613,781
Financial investments					
Financial investments measured at FVTPL	963,589	17,444	11,105	18,301	1,010,439
Financial investments measured at FVTOCI	2,715,471	411,742	47,398	116,541	3,291,152
Financial investments measured at amortised cost	9,505,735	203,964	24,531	117,755	9,851,985
Investments in associates and joint ventures	44,465	1,511	146	27,235	73,357
Property and equipment	132,927	166,466	677	2,317	302,387
Others	344,105	135,107	24,565	199,503	703,280
<b>Total assets</b>	<b>44,742,408</b>	<b>2,380,201</b>	<b>510,715</b>	<b>1,188,422</b>	<b>48,821,746</b>
<b>Liabilities:</b>					
Due to central banks	169,622	-	-	-	169,622
Due to banks and other financial institutions (ii)	5,278,640	524,278	65,894	245,708	6,114,520
Financial liabilities measured at FVTPL	5,498	2,440	2	68,116	76,056
Derivative financial liabilities	145,146	32,089	10,841	9,719	197,795
Certificates of deposit	140,187	220,006	58,295	26,931	445,419
Due to customers	33,146,429	945,302	380,181	365,061	34,836,973
Debt securities issued	1,859,351	142,352	-	27,019	2,028,722
Others	806,682	126,396	8,693	23,602	965,373
<b>Total liabilities</b>	<b>41,551,555</b>	<b>1,992,863</b>	<b>523,906</b>	<b>766,156</b>	<b>44,834,480</b>
Net long/(short) position	<b>3,190,853</b>	<b>387,338</b>	<b>(13,191)</b>	<b>422,266</b>	<b>3,987,266</b>
Credit commitments	<b>2,686,750</b>	<b>468,537</b>	<b>50,378</b>	<b>197,813</b>	<b>3,403,478</b>

(i) Includes reverse repurchase agreements.

(ii) Includes repurchase agreements.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**50. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(d) Interest rate risk in the banking book**

Interest rate risk in the banking book is defined as the risk of loss in the overall return and the economic value of the banking book arising from adverse movements in interest rate and term structure. This type of risk may occur in the following situations:

- the repricing period of different financial instruments are different when the interest rate changes;
- despite the similarities in maturity periods, changes in the benchmark interest rate vary among on- and off-balance sheet business in the banking book with different pricing benchmark interest rates;
- the Bank or the counterparty can elect to change the level or the maturity of future cash flows of financial instruments when the Bank holds option derivatives or when there are embedded option terms or implied options in the on- and off-balance sheet businesses in the banking book; and
- due to changes in expected default levels or market liquidity, the market's assessment of the credit quality of financial instruments changes, leading to changes in credit spreads.

The Group manages the interest rate risk in the banking book through the Asset and Liability Management Department, and the following methods have been adopted:

- interest rate prediction: analysing the macro-economic factors that may impact the PBC benchmark interest rates and market interest rates;
- duration management: optimising the differences in timing between contractual repricing (or maturities) of interest-generating assets and interest-bearing liabilities;
- pricing management: managing the deviation of the pricing of interest-generating assets and interest-bearing liabilities from the benchmark interest rates or market interest rates;
- limit management: optimising the positions of interest-generating assets and interest-bearing liabilities and controlling the impact on profit or loss and equity; and
- hedging: using interest rate derivatives for hedging management in a timely manner.

The Group measures interest rate risk mainly by analysing the sensitivity of projected net interest income under various interest rate movements (scenario analysis). The Group aims to mitigate the impact of prospective interest rate movements which might reduce future net interest income, while balancing the cost of hedging on the current revenue.

The following tables demonstrate the sensitivity to a reasonably possible change in interest rate, with all other variables held constant, on the Group's net interest income and equity.

The effect on net interest income is the impact of the assumed changes in interest rates on the net interest income, arising from the financial assets and financial liabilities held at the end of the reporting period that are subject to repricing within the coming year, including the effect of hedging instruments. The effect on equity is the impact of the assumed changes in interest rates on other comprehensive income, calculated by revaluing fixed rate financial assets measured at FVTOCI held at the end of the reporting period, including the effect of any associated hedging instruments.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**50. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(d) Interest rate risk in the banking book (continued)**

Currency	31 December 2025			
	Increased by 100 basis points		Decreased by 100 basis points	
	Effect on net interest income	Effect on equity	Effect on net interest income	Effect on equity
RMB	(45,324)	(114,670)	45,324	125,935
USD	1,994	(10,383)	(1,994)	11,945
HKD	(510)	(202)	510	203
Others	1,115	(2,935)	(1,115)	3,187
<b>Total</b>	<b>(42,725)</b>	<b>(128,190)</b>	<b>42,725</b>	<b>141,270</b>

Currency	31 December 2024			
	Increased by 100 basis points		Decreased by 100 basis points	
	Effect on net interest income	Effect on equity	Effect on net interest income	Effect on equity
RMB	(26,560)	(102,939)	26,560	121,349
USD	1,109	(8,228)	(1,109)	9,259
HKD	129	(172)	(129)	177
Others	1,101	(3,274)	(1,101)	3,497
<b>Total</b>	<b>(24,221)</b>	<b>(114,613)</b>	<b>24,221</b>	<b>134,282</b>

The interest rate sensitivities set out in the tables above are for illustration only and are based on simplified scenarios. The figures represent the estimated movements in net interest income and equity based on the projected yield curve scenarios and the Group's current interest rate risk profile. This effect, however, does not incorporate actions other than hedging that would be taken by management to mitigate the impact of interest rate risk. The projections above also assume that interest rates of all maturities move by the same degree and, therefore, do not reflect the potential impact on net interest income and equity in the case where some rates change while others remain unchanged.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**50. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(d) Interest rate risk in the banking book (continued)**

The tables below summarise the contractual repricing or maturity dates, whichever is earlier, of the Group's assets and liabilities:

	31 December 2025					Total
	Less than three months	Three months to one year	One to five years	Over five years	Non-interest-bearing	
<b>Assets:</b>						
Cash and balances with central banks	3,268,854	4,993	2,843	-	397,868	3,674,558
Due from banks and other financial institutions (i)	1,236,433	486,483	40,337	-	31,503	1,794,756
Derivative financial assets	-	-	-	-	130,414	130,414
Loans and advances to customers	12,739,269	16,487,862	299,302	129,534	56,392	29,712,359
Financial investments						
Financial investments measured at FVTPL	95,663	201,865	171,441	162,456	312,528	943,953
Financial investments measured at FVTOCI	342,067	727,555	1,720,178	900,599	132,880	3,823,279
Financial investments measured at amortised cost	697,676	1,291,893	4,755,990	5,290,751	103,873	12,140,183
Investments in associates and joint ventures	-	-	-	-	78,313	78,313
Property and equipment	-	-	-	-	293,836	293,836
Others	-	1,037	-	-	885,085	886,122
<b>Total assets</b>	<b>18,379,962</b>	<b>19,201,688</b>	<b>6,990,091</b>	<b>6,483,340</b>	<b>2,422,692</b>	<b>53,477,773</b>
<b>Liabilities:</b>						
Due to central banks	56,005	120,788	-	-	-	176,793
Due to banks and other financial institutions (ii)	5,452,321	2,059,591	39,170	590	87,951	7,639,623
Financial liabilities measured at FVTPL	8,135	2,726	1,819	330	137,186	150,196
Derivative financial liabilities	-	-	-	-	134,082	134,082
Certificates of deposit	195,372	240,666	63,842	-	2,713	502,593
Due to customers	20,451,265	7,631,176	8,418,490	36,845	774,002	37,311,778
Debt securities issued	498,316	804,592	165,762	734,759	13,378	2,216,807
Others	1,518	5,032	12,056	3,185	1,052,086	1,073,877
<b>Total liabilities</b>	<b>26,662,932</b>	<b>10,864,571</b>	<b>8,701,139</b>	<b>775,709</b>	<b>2,201,398</b>	<b>49,205,749</b>
Interest rate exposure	<u>(8,282,970)</u>	<u>8,337,117</u>	<u>(1,711,048)</u>	<u>5,707,631</u>	<u>N/A</u>	<u>N/A</u>

(i) Includes reverse repurchase agreements.

(ii) Includes repurchase agreements.

The data set out in the above table includes trading book data.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**50. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(d) Interest rate risk in the banking book (continued)**

The tables below summarise the contractual repricing or maturity dates, whichever is earlier, of the Group's assets and liabilities: (continued)

	31 December 2024					Total
	Less than three months	Three months to one year	One to five years	Over five years	Non-interest-bearing	
<b>Assets:</b>						
Cash and balances with central banks	2,921,951	6,665	50	-	394,245	3,322,911
Due from banks and other financial institutions (i)	2,041,613	321,984	41,914	-	24,582	2,430,093
Derivative financial assets	-	-	-	-	222,361	222,361
Loans and advances to customers	10,976,981	16,188,046	255,342	138,400	55,012	27,613,781
Financial investments						
Financial investments measured at FVTPL	44,028	275,562	247,340	209,389	234,120	1,010,439
Financial investments measured at FVTOCI	379,404	611,783	1,427,981	758,866	113,118	3,291,152
Financial investments measured at amortised cost	344,569	1,449,893	3,328,729	4,623,451	105,343	9,851,985
Investments in associates and joint ventures	-	-	-	-	73,357	73,357
Property and equipment	-	-	-	-	302,387	302,387
Others	1,986	6,273	17,976	3,556	673,489	703,280
<b>Total assets</b>	<b>16,710,532</b>	<b>18,860,206</b>	<b>5,319,332</b>	<b>5,733,662</b>	<b>2,198,014</b>	<b>48,821,746</b>
<b>Liabilities:</b>						
Due to central banks	56,043	113,573	-	-	6	169,622
Due to banks and other financial institutions (ii)	4,052,089	1,711,979	254,138	675	95,639	6,114,520
Financial liabilities measured at FVTPL	6,523	4,615	1,669	254	62,995	76,056
Derivative financial liabilities	-	-	-	-	197,795	197,795
Certificates of deposit	193,076	217,042	32,266	-	3,035	445,419
Due to customers	18,333,925	7,503,276	8,213,196	11,798	774,778	34,836,973
Debt securities issued	311,014	826,952	193,297	684,797	12,662	2,028,722
Others	3,540	10,328	30,765	7,423	913,317	965,373
<b>Total liabilities</b>	<b>22,956,210</b>	<b>10,387,765</b>	<b>8,725,331</b>	<b>704,947</b>	<b>2,060,227</b>	<b>44,834,480</b>
Interest rate exposure	<u>(6,245,678)</u>	<u>8,472,441</u>	<u>(3,405,999)</u>	<u>5,028,715</u>	<u>N/A</u>	<u>N/A</u>

(i) Includes reverse repurchase agreements.

(ii) Includes repurchase agreements.

The data set out in the above table includes trading book data.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**50. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(e) Capital management**

The Group has set the following capital management objectives:

- maintain sound capital adequacy to meet regulatory and policy requirements on capital, keep stable capital base to ensure the implementation of the Group's business growth and strategic plans in order to achieve comprehensive, balanced, and sustainable development;
- adopt the advanced capital measurement approach, improve the internal capital adequacy assessment process (ICAAP), publicly disclose information on capital management, cover all types of material risks, and ensure stable operations of the Group;
- leverage on the results of quantitative assessments of material risks fully, establish a bank-wide value management mechanism with a core of economic capital, improve the aligned policies, processes, and applications in business management, strengthen the capital constraints and capital incentives mechanism, enhance the abilities of product pricing and decision-making support, and improve the capital allocation efficiency; and
- make effective use of various capital instruments, continuously enhance capital strengths, refine the capital structure, improve capital quality, reduce capital costs, and maximise shareholders' returns.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the risk profiles of its business operations. In order to maintain or adjust the capital structure, the Group may adjust its profit distribution policies, issue or repurchase its own shares, eligible additional tier 1 capital instruments, eligible tier 2 capital instruments, or convertible bonds.

The Group monitors the capital adequacy ratios regularly based on regulations issued by the NFRA. The required information is quarterly filed with the NFRA by the Group and the Bank.

Since 1 January 2024, the Group commenced calculating the capital adequacy ratios in accordance with the Regulation Governing Capital of Commercial Banks and other relevant regulations, according to the scope of implementing the advanced capital measurement approaches as approved by the regulatory authorities, an enterprise that meets the regulatory requirements shall adopt the foundation IRB approach for its corporate credit risk exposures, the advanced IRB approach for its retail credit risk exposures, the weighted approach for its credit risk uncovered by the IRB approach, the standardised approach for its market risk exposures and the standardised approach for its operational risk exposures.

According to Regulation Governing Capital of Commercial Banks, Measures for the Assessment of Systemically Important Banks, Additional Regulation of Systemically Important Banks (Provisional), and the capital surcharge applied to global systemically important banks as required by the Basel Committee on Banking Supervision, the minimum common equity tier 1 capital adequacy ratio, the tier 1 capital adequacy ratio and the capital adequacy ratio of the Group shall not be lower than 9%, 10% and 12% respectively. In addition, overseas entities are directly regulated by local banking regulators, and the required capital adequacy ratios differ by countries or regions.

The Group calculates the following common equity tier 1 capital adequacy ratio, the tier 1 capital adequacy ratio and the capital adequacy ratio in accordance with the Regulation Governing Capital of Commercial Banks and relevant requirements. The requirements pursuant to these regulations may be different from those applicable in Hong Kong SAR and other jurisdictions.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**50. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(e) Capital management (continued)**

The capital adequacy ratios and related data of the Group are calculated based on the statutory financial statements of the Group prepared under the PRC GAAP. During the reporting year, the Group has complied in full with all its externally imposed regulatory capital requirements.

The common equity tier 1 capital adequacy ratio, the tier 1 capital adequacy ratio and the capital adequacy ratio of the Group calculated in accordance with the advanced capital measurement approaches in the Rules on Capital Management of Commercial Banks are as follows:

	31 December 2025	31 December 2024
Common equity tier 1 capital	3,863,157	3,648,963
Paid-in capital	356,407	356,407
Valid portion of capital reserve	143,871	148,128
Surplus reserve	500,576	463,951
General reserve	660,329	614,426
Retained profits	2,172,125	2,007,203
Valid portion of minority interests	4,494	4,071
Accumulated other comprehensive income	25,355	54,777
Common equity tier 1 capital deductions	26,008	24,621
Goodwill	18,383	18,687
Other intangible assets other than land use rights	11,212	10,194
Cash flow hedging reserve that relates to the hedging of items that are not fair-valued on the balance sheet	(3,587)	(4,260)
Net common equity tier 1 capital	<u>3,837,149</u>	<u>3,624,342</u>
Additional tier 1 capital	385,527	325,111
Additional tier 1 capital instruments and related premiums	384,657	324,344
Valid portion of minority interests	870	767
Net tier 1 capital	<u>4,222,676</u>	<u>3,949,453</u>
Tier 2 capital	1,080,120	1,037,078
Valid portion of tier 2 capital instruments and related premiums	690,003	632,917
Surplus provision for impairment	388,783	402,917
Valid portion of minority interests	1,334	1,244
Net capital base	<u>5,302,796</u>	<u>4,986,531</u>
Risk-weighted assets (i)	<u>28,269,948</u>	<u>25,710,855</u>
Common equity tier 1 capital adequacy ratio	<u>13.57%</u>	<u>14.10%</u>
Tier 1 capital adequacy ratio	<u>14.94%</u>	<u>15.36%</u>
Capital adequacy ratio	<u>18.76%</u>	<u>19.39%</u>

(i) Refers to risk-weighted assets after the capital floor and adjustments.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**51. FAIR VALUE OF FINANCIAL INSTRUMENTS**

The Group has established policies and internal controls with respect to the measurement of fair values, specifically the framework of fair value measurement of financial instruments, fair value measurement methodologies and operating procedures. Fair value measurement methodologies specify valuation techniques, parameter selection and relevant concepts, models and parameter-seeking methods. Operating procedures specify measurement procedures, timing of valuation, market parameter selection and corresponding allocation of responsibilities. In the process of fair value measurement, front office is responsible for daily transaction management. The Finance and Accounting Department plays a lead role in formulating accounting policies of fair value measurement, valuation methodologies and system implementation. The Risk Management Department is responsible for verifying trade details and validating models.

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 inputs: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2 inputs: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs: valuation techniques are used, for which certain inputs that have a significant effect on the recorded fair value are not based on observable market data.

The following is a description of the fair value of financial instruments measured at fair value which are determined using valuation techniques. They incorporate the Group's estimate of assumptions that a market participant would make when valuing the instruments.

Financial investments

Financial investments that use valuation techniques for their valuation include debt securities, asset-backed securities, investment funds, unlisted equity instruments and asset management plans. The Group values such investments by incorporating either only observable data or both observable and unobservable data. Observable inputs include assumptions regarding current interest rates; unobservable inputs include assumptions regarding expected default rates, prepayment rates, discount rates and market liquidity.

The majority of the debt securities investments classified as level 2 are RMB bonds. The fair values of these bonds are determined based on the valuation results provided by China Central Depository & Clearing Co., Ltd., which are determined based on a valuation technique for which all significant inputs are observable market data.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**51. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**

Derivatives

Derivatives that use valuation techniques with market observable inputs are mainly interest rate swaps, currency forwards, swaps and options. The most frequently applied valuation techniques include discounted cash flow model and Black-Scholes model. The models incorporate various inputs including foreign exchange spot and forward rates, foreign exchange rate volatility, interest rate yield curves.

Structured derivatives are mainly valued using dealer's quotations.

Loans and advances to customers

The loans and advances to customers that use valuation techniques for valuation are mainly the bills and discounted cash flow model is used. For bank acceptance bill, based on the different credit risk of the acceptor, interest rate yield curve is set up using the actual market data; for commercial bill, based on the interbank offered rate, interest rate yield curve is constructed, with spreads adjusted for credit risk and liquidity.

Other liabilities at fair value through profit or loss

For unquoted other liabilities at FVTPL, discounted cash flow model is used based on current yield curve appropriate for the remaining term to maturity adjusted for market liquidity and credit spreads; and Heston model is applied based on parameters including yields, foreign exchange forward rates, foreign exchange rate volatilities, which are calibrated by active market quotes of standard European option with the same underlying items.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**51. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**

**(a) Financial instruments measured at fair value**

	31 December 2025			Total
	Level 1	Level 2	Level 3	
<b>Financial assets:</b>				
Derivative financial assets	8,001	122,365	48	130,414
Reverse repurchase agreements measured at FVTPL	-	17,885	-	17,885
Loans and advances to customers measured at FVTPL	-	7,080	109	7,189
Loans and advances to customers measured at FVTOCI	-	2,655,589	-	2,655,589
Financial investments measured at FVTPL				
Debt securities investments	22,927	581,692	1,619	606,238
Equity investments	30,572	666	105,983	137,221
Funds and other investments	38,918	58,333	103,243	200,494
	<u>92,417</u>	<u>640,691</u>	<u>210,845</u>	<u>943,953</u>
Financial investments measured at FVTOCI				
Debt securities investments	372,043	3,348,701	-	3,720,744
Other debt investments	-	4,047	823	4,870
Equity investments	34,493	7,826	55,346	97,665
	<u>406,536</u>	<u>3,360,574</u>	<u>56,169</u>	<u>3,823,279</u>
	<u>506,954</u>	<u>6,804,184</u>	<u>267,171</u>	<u>7,578,309</u>
<b>Financial liabilities:</b>				
Due to customers	-	210,557	-	210,557
Repurchase agreements	-	694	-	694
Financial liabilities measured at FVTPL				
Derivative financial liabilities	8	148,728	1,460	150,196
	<u>4,071</u>	<u>129,873</u>	<u>138</u>	<u>134,082</u>
	<u>4,079</u>	<u>489,852</u>	<u>1,598</u>	<u>495,529</u>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**51. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**

**(a) Financial instruments measured at fair value (continued)**

	31 December 2024			Total
	Level 1	Level 2	Level 3	
<b>Financial assets:</b>				
Derivative financial assets	12,111	210,195	55	222,361
Reverse repurchase agreements measured at FVTPL	-	20,317	-	20,317
Loans and advances to customers measured at FVTPL	-	4,929	76	5,005
Loans and advances to customers measured at FVTOCI	-	1,947,988	-	1,947,988
Financial investments measured at FVTPL				
Debt securities investments	17,498	718,558	2,925	738,981
Equity investments	23,736	1,003	87,028	111,767
Funds and other investments	37,666	78,015	44,010	159,691
	<u>78,900</u>	<u>797,576</u>	<u>133,963</u>	<u>1,010,439</u>
Financial investments measured at FVTOCI				
Debt securities investments	301,020	2,899,480	-	3,200,500
Other debt investments	-	5,426	-	5,426
Equity investments	13,793	5,730	65,703	85,226
	<u>314,813</u>	<u>2,910,636</u>	<u>65,703</u>	<u>3,291,152</u>
	<u>405,824</u>	<u>5,891,641</u>	<u>199,797</u>	<u>6,497,262</u>
<b>Financial liabilities:</b>				
Due to customers	-	200,983	-	200,983
Repurchase agreements	-	715	-	715
Financial liabilities measured at FVTPL				
Derivative financial liabilities	150	73,584	2,322	76,056
	<u>8,005</u>	<u>189,651</u>	<u>139</u>	<u>197,795</u>
	<u>8,155</u>	<u>464,933</u>	<u>2,461</u>	<u>475,549</u>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**51. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**

**(b) Movement of level 3 financial instruments measured at fair value**

The following tables show the movement of level 3 financial assets and financial liabilities measured at fair value:

	1 January 2025	Total gains/(losses) recorded in profit or loss	Total effects in other comprehensive income	Additions	Disposals and settlements	Transfer (out of)/in level 3	31 December 2025
<b>Financial assets:</b>							
Derivative financial assets	55	79	-	33	(109)	(10)	48
Loans and advances to customers measured at FVTPL	76	7	-	99	(73)	-	109
Financial investments measured at FVTPL							
Debt securities investments	2,925	(1,127)	-	924	(1,056)	(47)	1,619
Equity investments	87,028	378	-	29,623	(11,034)	(12)	105,983
Funds and other investments	44,010	(1,530)	-	61,970	(9,569)	8,362	103,243
Financial investments measured at FVTOCI							
Equity investments	65,703	-	38	5,055	(15,450)	-	55,346
Funds and other investments	-	-	(182)	-	-	1,005	823
	<u>199,797</u>	<u>(2,193)</u>	<u>(144)</u>	<u>97,704</u>	<u>(37,291)</u>	<u>9,298</u>	<u>267,171</u>
<b>Financial liabilities:</b>							
Financial liabilities measured at FVTPL	(2,322)	344	-	(477)	747	248	(1,460)
Derivative financial liabilities	(139)	(131)	-	(14)	49	97	(138)
	<u>(2,461)</u>	<u>213</u>	<u>-</u>	<u>(491)</u>	<u>796</u>	<u>345</u>	<u>(1,598)</u>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**51. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**

**(b) Movement of level 3 financial instruments measured at fair value (continued)**

The following tables show the movement of level 3 financial assets and financial liabilities measured at fair value: (continued)

	1 January 2024	Total gains/(losses) recorded in profit or loss	Total effects in other comprehensive income	Additions	Disposals and settlements	Transfer (out of)/in level 3	31 December 2024
<b>Financial assets:</b>							
Derivative financial assets	515	110	-	521	(352)	(739)	55
Loans and advances to customers measured at FVTPL	114	5	-	-	(43)	-	76
Financial investments measured at FVTPL							
Debt securities investments	3,368	7	-	639	(1,091)	2	2,925
Equity investments	74,226	(15)	-	23,192	(10,375)	-	87,028
Funds and other investments	41,357	(940)	-	18,914	(15,321)	-	44,010
Financial investments measured at FVTOCI							
Equity investments	40,472	-	1,490	3,521	(3,400)	23,620	65,703
	<u>160,052</u>	<u>(833)</u>	<u>1,490</u>	<u>46,787</u>	<u>(30,582)</u>	<u>22,883</u>	<u>199,797</u>
<b>Financial liabilities:</b>							
Financial liabilities measured at FVTPL	(1,838)	(221)	-	(761)	498	-	(2,322)
Derivative financial liabilities	(1,179)	(174)	-	-	496	718	(139)
	<u>(3,017)</u>	<u>(395)</u>	<u>-</u>	<u>(761)</u>	<u>994</u>	<u>718</u>	<u>(2,461)</u>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**51. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**

**(b) Movement of level 3 financial instruments measured at fair value (continued)**

Net gains or losses on level 3 financial instruments of the Group are set out below:

	2025	2024
Realised	1,212	(402)
Unrealised	<u>(3,192)</u>	<u>(826)</u>
	<u>(1,980)</u>	<u>(1,228)</u>

**(c) Transfers between levels**

**(i) Transfers between level 1 and level 2**

Due to changes in market conditions for certain securities, quoted prices in active markets were available for these securities. Therefore, these securities were transferred from level 2 to level 1 of the fair value hierarchy as at the end of the reporting period.

Due to changes in market conditions for certain securities, quoted prices in active markets were no longer available for these securities. However, there was sufficient information available to measure the fair values of these securities based on observable market inputs. Therefore, these securities were transferred from level 1 to level 2 of the fair value hierarchy as at the end of the reporting period.

In 2025 and 2024, the transfers between level 1 and level 2 of the fair value hierarchy for financial assets and liabilities measured at fair value of the Group were not significant.

**(ii) Transfers between level 2 and level 3**

At the end of the reporting period, certain financial instruments were transferred out from level 2 to level 3 of the fair value hierarchy for financial assets and liabilities when significant inputs used in their fair value measurements, which were previously observable became unobservable.

At the end of the reporting period, certain financial instruments were transferred out from level 3 of the fair value hierarchy for financial assets and liabilities, when significant inputs used in their fair value measurements, which were previously unobservable became observable, or when there was a change in valuation technique.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**51. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**

**(d) Valuation of financial instruments with significant unobservable inputs**

Financial instruments valued with significant unobservable inputs primarily include certain structured financial derivatives, asset-backed securities, investment funds, unlisted equity instruments and asset management plans. These financial instruments are valued using discounted cash flow model, net asset value method and market comparison approach. The models incorporate various unobservable assumptions such as expected default rates, prepayment rates, discount rates and market liquidity.

As at 31 December 2025, the effects of changing the significant unobservable assumptions to reasonably possible alternative assumptions were not significant (31 December 2024: not significant).

**(e) Fair value of financial assets and financial liabilities not carried at fair value**

There are no significant differences between the carrying amount and the fair value of financial assets and financial liabilities not measured at fair value, except for the following items:

	31 December 2025				
	Carrying amount	Fair value	Level 1	Level 2	Level 3
<b>Financial assets</b>					
Financial investments measured at amortised cost	12,140,183	12,585,295	36,672	12,457,693	90,930
<b>Financial liabilities</b>					
Subordinated bonds, tier 2 capital bonds and TLAC non-capital Bonds	804,590	821,265	-	821,265	-
	31 December 2024				
	Carrying amount	Fair value	Level 1	Level 2	Level 3
<b>Financial assets</b>					
Financial investments measured at amortised cost	9,851,985	10,531,041	43,473	10,360,858	126,710
<b>Financial liabilities</b>					
Subordinated bonds, tier 2 capital bonds and TLAC non-capital Bonds	749,261	778,648	-	778,648	-

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**51. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**

**(e) Fair value of financial assets and financial liabilities not carried at fair value (continued)**

Subject to the existence of an active market, such as an authorised stock exchange, the market value is the best reflection of the fair value of a financial instrument. As there is no available market value for certain financial assets held and financial liabilities issued by the Group, discounted cash flow or other valuation methods described below are adopted to determine the fair values of these financial assets and financial liabilities:

- (i) The fair values of financial investments measured at amortised cost relating to the restructuring of the Bank are estimated on the basis of the stated interest rates and the consideration of the relevant special clauses of the instruments evaluated in the absence of any other relevant observable market data, and the fair values approximate to their carrying amounts. The fair values of financial investments measured at amortised cost irrelevant to the restructuring of the Bank are determined based on the available market values. If quoted market prices are not available, fair values are estimated on the basis of pricing models or discounted cash flows.
- (ii) The fair values of Subordinated bonds, tier 2 capital bonds and TLAC non-capital Bonds issued are determined with reference to the available market values. If quoted market prices are not available, fair values are estimated on the basis of pricing models or discounted cash flows.

All of the aforementioned assumptions and methods provide a consistent basis for the calculation of the fair values of the Group's financial assets and financial liabilities. However, other institutions may use different assumptions and methods. Therefore, the fair values disclosed by different financial institutions may not be entirely comparable.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**52. STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CHANGES IN EQUITY OF THE BANK**

Statement of financial position of the bank.

	31 December 2025	31 December 2024
<b>ASSETS</b>		
Cash and balances with central banks	3,614,868	3,231,078
Due from banks and other financial institutions	1,354,545	1,268,833
Derivative financial assets	72,591	193,367
Reverse repurchase agreements	482,435	1,148,203
Loans and advances to customers	28,928,595	26,789,370
Financial investments	15,852,547	13,184,522
Financial investments measured at FVTPL	553,573	693,738
Financial investments measured at FVTOCI	3,384,334	2,875,432
Financial investments measured at amortised cost	11,914,640	9,615,352
Investments in subsidiaries	177,847	163,283
Investments in associates	39,042	37,042
Property and equipment	119,538	119,025
Deferred tax assets	104,223	89,322
Other assets	714,897	500,316
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b>51,461,128</b>	<b>46,724,361</b>
	<hr/> <hr/>	<hr/> <hr/>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**52. STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CHANGES IN EQUITY OF THE BANK (CONTINUED)**

Statement of financial position of the bank (continued)

	31 December 2025	31 December 2024
<b>LIABILITIES</b>		
Due to central banks	176,549	169,622
Due to banks and other financial institutions	4,949,520	4,711,602
Financial liabilities measured at FVTPL	133,208	62,195
Derivative financial liabilities	89,155	169,959
Repurchase agreements	2,506,546	1,473,959
Certificates of deposit	496,543	428,929
Due to customers	36,279,706	33,425,710
Income tax payable	21,304	30,345
Debt securities issued	2,155,324	1,936,857
Other liabilities	609,670	530,327
<b>TOTAL LIABILITIES</b>	<u>47,417,525</u>	<u>42,939,505</u>
<b>EQUITY</b>		
Share capital	356,407	356,407
Other equity instruments	384,657	324,344
Preference shares	114,927	134,614
Perpetual bonds	269,730	189,730
Reserves	1,317,337	1,270,537
Retained profits	1,985,202	1,833,568
<b>TOTAL EQUITY</b>	<u>4,043,603</u>	<u>3,784,856</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u><u>51,461,128</u></u>	<u><u>46,724,361</u></u>

Liao Lin  
Chairman

Liu Jun  
Vice Chairman and President

Xu Zhisheng  
Person in charge of Finance  
and Accounting Department

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**52. STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CHANGES IN EQUITY OF THE BANK (CONTINUED)**

The statement of changes in equity of the Bank is set out below.

	Share capital	Other equity instruments	Reserves							Retained profits	Total equity	
			Capital reserve	Surplus reserve	General reserve	Investment revaluation reserve	Foreign currency translation reserve	Cash flow hedging reserve	Other reserves			Subtotal
Balance as at 1 January 2024	356,407	354,331	153,348	419,789	544,549	26,332	(734)	(3,128)	(245)	1,139,911	1,750,135	3,600,784
Profit for the year	-	-	-	-	-	-	-	-	-	-	345,454	345,454
Other comprehensive income	-	-	-	-	-	45,144	63	(1,225)	(87)	43,895	-	43,895
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45,144</b>	<b>63</b>	<b>(1,225)</b>	<b>(87)</b>	<b>43,895</b>	<b>345,454</b>	<b>389,349</b>
Capital injection by other equity instrument holders	-	50,000	(2)	-	-	-	-	-	-	(2)	-	49,998
Capital reduction by other equity instrument holders	-	(79,987)	(13)	-	-	-	-	-	-	(13)	-	(80,000)
Dividends - ordinary shares (i) (Note 17)	-	-	-	-	-	-	-	-	-	-	(160,312)	(160,312)
Distributions to other equity instrument holders (Note 17)	-	-	-	-	-	-	-	-	-	-	(14,963)	(14,963)
Appropriation to surplus reserve (ii)	-	-	-	34,769	-	-	-	-	-	34,769	(34,769)	-
Appropriation to general reserve	-	-	-	-	52,251	-	-	-	-	52,251	(52,251)	-
Other comprehensive income carried forward to retained earnings	-	-	-	-	-	(274)	-	-	-	(274)	274	-
Balance as at 31 December 2024 and 1 January 2025	356,407	324,344	153,333	454,558	596,800	71,202	(671)	(4,353)	(332)	1,270,537	1,833,568	3,784,856
Profit for the year	-	-	-	-	-	-	-	-	-	-	352,266	352,266
Other comprehensive income	-	-	-	-	-	(24,861)	(2,789)	689	114	(26,847)	-	(26,847)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(24,861)</b>	<b>(2,789)</b>	<b>689</b>	<b>114</b>	<b>(26,847)</b>	<b>352,266</b>	<b>325,419</b>
Capital injection by other equity instrument holders	-	80,000	(2)	-	-	-	-	-	-	(2)	-	79,998
Capital reduction by other equity instrument holders	-	(19,687)	(1,135)	-	-	-	-	-	-	(1,135)	-	(20,822)
Dividends - ordinary shares (i) (Note 17)	-	-	-	-	-	-	-	-	-	-	(109,060)	(109,060)
Distributions to other equity instrument holders (Note 17)	-	-	-	-	-	-	-	-	-	-	(11,764)	(11,764)
Appropriation to surplus reserve (ii)	-	-	-	35,519	-	-	-	-	-	35,519	(35,519)	-
Appropriation to general reserve	-	-	-	-	44,586	-	-	-	-	44,586	(44,586)	-
Other comprehensive income carried forward to retained earnings	-	-	-	-	-	(359)	-	-	-	(359)	359	-
Others	-	-	(4,997)	18	17	-	-	-	-	(4,962)	(62)	(5,024)
Balance as at 31 December 2025	356,407	384,657	147,199	490,095	641,403	45,982	(3,460)	(3,664)	(218)	1,317,337	1,985,202	4,043,603

(i) Includes interim dividends on ordinary shares of RMB50,396 million for 2025 and annual dividends on ordinary shares of RMB58,664 million for 2024.

(ii) Includes the appropriation made by overseas branches in the amount of RMB144 million (2024: RMB98 million).

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS(CONTINUED)**  
**(In RMB millions, unless otherwise stated)**

**53. EVENTS AFTER THE REPORTING PERIOD**

The year-end cash dividends for ordinary shares of RMB1.689 (pre-tax) for each ten shares after the appropriation of statutory surplus reserve and general reserve, was approved at the board of directors' meeting held on 27 March 2026, and will be subject to the approval of the Shareholders' Meeting of the Bank. Based on the number of ordinary shares issued as at 31 December 2025, the year-end cash dividends amounted to approximately RMB60,197 million in total. The dividend payable was not recognised as a liability in the consolidated financial statements.

**54. COMPARATIVE FIGURES**

Certain comparative amounts have been reclassified to conform to the current period's presentation.

**55. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements were approved by the board of directors on 27 March 2026.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**UNAUDITED SUPPLEMENTARY INFORMATION TO THE CONSOLIDATED**  
**FINANCIAL STATEMENTS**  
(In RMB millions, unless otherwise stated)

**1. Statement of differences between the financial statements prepared under IFRS Accounting Standards and those prepared in accordance with PRC GAAP**

There are no differences between the profit attributable to equity holders of the parent company under IFRS Accounting Standards and PRC GAAP for the year ended 31 December 2025 and 2024. There are no differences between the equity attributable to equity holders of the parent company under IFRS Accounting Standards and PRC GAAP as at 31 December 2025 and 31 December 2024.

**2. Currency concentrations**

	31 December 2025			Total
	USD	HKD	Others	
Spot assets	2,477,420	442,320	1,368,025	4,287,765
Spot liabilities	(2,135,476)	(514,752)	(832,145)	(3,482,373)
Forward purchases	4,955,069	347,615	492,674	5,795,358
Forward sales	(5,512,671)	(150,364)	(898,800)	(6,561,835)
Net option position	<u>(10,334)</u>	<u>(1,571)</u>	<u>(12,362)</u>	<u>(24,267)</u>
Net (short)/long position	<u>(225,992)</u>	<u>123,248</u>	<u>117,392</u>	<u>14,648</u>
Net structural position	<u>155,839</u>	<u>4,646</u>	<u>32,797</u>	<u>193,282</u>
	31 December 2024			Total
	USD	HKD	Others	
Spot assets	2,250,157	489,754	1,228,279	3,968,190
Spot liabilities	(2,078,820)	(541,721)	(826,252)	(3,446,793)
Forward purchases	5,273,333	252,671	477,184	6,003,188
Forward sales	(5,659,359)	(121,026)	(701,683)	(6,482,068)
Net option position	<u>(26,408)</u>	<u>8,778</u>	<u>(13,855)</u>	<u>(31,485)</u>
Net (short)/long position	<u>(241,097)</u>	<u>88,456</u>	<u>163,673</u>	<u>11,032</u>
Net structural position	<u>153,369</u>	<u>754</u>	<u>28,414</u>	<u>182,537</u>

The net option position is calculated using the delta equivalent approach required by the Hong Kong Monetary Authority. The net structural position of the Group includes the structural positions of the Bank's overseas branches, banking subsidiaries and other subsidiaries substantially involved in foreign exchange transactions. Structural assets and liabilities include:

- property and equipment, net of depreciation charges;
- capital and statutory reserves of overseas branches; and
- investments in overseas subsidiaries, associates and joint ventures.

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**UNAUDITED SUPPLEMENTARY INFORMATION TO THE CONSOLIDATED**  
**FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**3. Loans and advances to customers (excluding accrued interest)**

(i) Overdue loans and advances to customers

	31 December 2025	31 December 2024
Gross loans and advances to customers of the Group which have been overdue with respect to either principal or interest for periods of:		
Between 3 and 6 months	47,847	50,420
Between 6 and 12 months	89,056	70,159
Over 12 months	195,525	163,800
	<u>332,428</u>	<u>284,379</u>
As a percentage of the total gross loans and advances to customers:		
Between 3 and 6 months	0.16%	0.18%
Between 6 and 12 months	0.29%	0.25%
Over 12 months	0.64%	0.57%
	<u>1.09%</u>	<u>1.00%</u>

The definition of overdue loans and advances to customers is as follows:

Loans and advances to customers with a specific repayment date are classified as overdue when the principal or interest is overdue.

For loans and advances to customers repayable by regular instalments, if part of the instalments is overdue, the whole amount of the loans and advances would be classified as overdue.

(ii) Overdue loans and advances to customers by geographical distribution

	31 December 2025	31 December 2024
Head Office	49,666	52,829
Bohai Rim	61,888	55,728
Western China	62,848	58,118
Central China	64,270	59,785
Pearl River Delta	101,171	73,465
Yangtze River Delta	67,607	49,448
Northeastern China	21,769	17,743
Overseas and others	33,516	39,623
	<u>462,735</u>	<u>406,739</u>

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**  
**UNAUDITED SUPPLEMENTARY INFORMATION TO THE CONSOLIDATED**  
**FINANCIAL STATEMENTS (CONTINUED)**  
(In RMB millions, unless otherwise stated)

**3. Loans and advances to customers (excluding accrued interest) (CONTINUED)**

(iii) Rescheduled loans and advances to customers

	31 December 2025		31 December 2024	
		% of total loans and advances to customers		% of total loans and advances to customers
Rescheduled loans and advances to customers	156,027	0.51%	139,086	0.49%
Less: Rescheduled loans and advances to customers overdue for more than three months	(39,606)	(0.13%)	(23,378)	(0.08%)
Rescheduled loans and advances to customers overdue for less than three months	116,421	0.38%	115,708	0.41%

**4. Exposures to non-bank entities in Chinese mainland**

The Bank is a commercial bank incorporated in Chinese mainland with its banking business primarily conducted in Chinese mainland. As at 31 December 2025 and 31 December 2024, substantial amounts of the Bank's exposures arose from businesses with entities or individuals in Chinese mainland. Analyses of various types of exposures by counterparty have been disclosed in the respective notes to the financial statements.