中国银行
BANK OF CHINA

Bank of China Limited

Stock Code: 3988

2026 Interim Report

The print version of the Bank's 2026 Interim Report, to be published in September 2026, will supersede this version.

Contents

Definitions

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

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

BOCHK (Holdings)	BOC Hong Kong (Holdings) Limited, a company incorporated under the laws of Hong Kong SAR, the ordinary shares of which are listed on the Hong Kong Stock Exchange
BOC Insurance	Bank of China Insurance Company Limited
BOC Fullerton Community Bank	BOC Fullerton Community Bank Co., Ltd.
BOCI	BOC International Holdings Limited
BOC Aviation	BOC Aviation Limited, a company incorporated under the laws of Singapore with limited liability and listed on the Hong Kong Stock Exchange
BOCIM	Bank of China Investment Management Co., Ltd.
BOCG Insurance	Bank of China Group Insurance Company Limited
BOCG Investment	Bank of China Group Investment Limited
BOC Financial Technology	BOC Financial Technology Co., Ltd.
BOC Financial Leasing	BOC Financial Leasing Co., Ltd.
BOC Wealth Management	BOC Wealth Management Co., Ltd.
BOC Life	BOC Group Life Assurance Co., Ltd.
BOC-Samsung Life	BOC-Samsung Life Ins. Co., Ltd.
BOC Consumer Finance	BOC Consumer Finance Co., Ltd.
BOC Asset Investment	BOC Financial Asset Investment Co., Ltd.
BOCI China	BOC International (China) Co., Ltd., a company incorporated in the Chinese mainland, the ordinary shares of which are listed on the Shanghai Stock Exchange
Company Law	The *Company Law of the People's Republic of China*
CAS	Chinese Accounting Standards for Business Enterprises published by the Ministry of Finance of the People's Republic of China

IFRS Accounting Standards	International Financial Reporting Standards issued by the International Accounting Standards Board
Hong Kong Listing Rules	The *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*
SFO	The *Securities and Futures Ordinance* (Chapter 571 of the Laws of Hong Kong SAR)
Articles of Association	The performing *Articles of Association of Bank of China Limited*
Chinese Mainland	The Chinese mainland, for the purpose of this report, refers to the People's Republic of China excluding Hong Kong (China), Macao (China), and Taiwan (China)
Northeastern China	The area including, for the purpose of this report, the branches of Heilongjiang, Jilin, Liaoning and Dalian
Western China	The area including, for the purpose of this report, the branches of Chongqing, Sichuan, Guizhou, Yunnan, Shaanxi, Gansu, Ningxia, Qinghai, Xizang and Xinjiang
Northern China	The area including, for the purpose of this report, the branches of Beijing, Tianjin, Hebei, Shanxi, Inner Mongolia and the Head Office
Eastern China	The area including, for the purpose of this report, the branches of Shanghai, Jiangsu, Suzhou, Zhejiang, Ningbo, Anhui, Fujian, Jiangxi, Shandong and Qingdao
Central and Southern China	The area including, for the purpose of this report, the branches of Henan, Hubei, Hunan, Guangdong, Shenzhen, Guangxi and Hainan
Independent Director	Independent director under the listing rules of the Shanghai Stock Exchange and the Articles of Association, and independent non-executive director under the Hong Kong Listing Rules
Basis Point (Bp, Bps)	Measurement unit of changes in interest rate or exchange rate. 1 basis point is equivalent to 0.01 percentage points

Important Notice

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

The 2026 Interim Report and Interim Results Announcement of the Bank have been reviewed and approved at the meeting of the Board of Directors of the Bank held on 28 August 2026. The number of directors who should attend the meeting is 16, with 16 directors attending the meeting in person. 16 directors of the Bank exercised their voting rights at the meeting. The Senior Management members of the Bank attended the meeting as non-voting attendees.

The 2026 interim financial statements prepared by the Bank in accordance with CAS and IFRS Accounting Standards have been reviewed by Ernst & Young Hua Ming LLP and Ernst & Young in accordance with Chinese and international standards on review engagements, respectively.

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

As considered and approved by the 2025 Annual General Meeting, the Bank distributed the 2025 final cash dividend of RMB1.169 per 10 shares (before tax) to ordinary shareholders whose names appeared on the register of members of the Bank as at market close on 9 July 2026. The Bank did not propose any capitalisation of capital reserve into share capital. Including the interim cash dividends of RMB1.094 per 10 shares (before tax) already paid for the first half of 2025, the annual cash dividend for 2025 was RMB2.263 per 10 shares (before tax).

The Board of Directors of the Bank has recommended an interim dividend on ordinary shares for 2026 of RMB1.190 per 10 shares (before tax), subject to the approval of the Shareholders' Meeting of the Bank.

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

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

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

Corporate Information

Registered Name in Chinese
中國銀行股份有限公司("中國銀行")

Registered Name in English
BANK OF CHINA LIMITED
("Bank of China")

Legal Representative and Chairman
GE Haijiao

Vice Chairman and President
ZHANG Hui

Secretary to the Board of Directors and Company Secretary
LIU Chenggang
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No. 1 Fuxingmen Nei Dajie, Xicheng District, Beijing, China
Telephone: (86) 10-6659 2638
E-mail: ir@bankofchina.com

Listing Affairs Representative
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Telephone: (86) 10-6659 6688
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Website: www.boc.cn, www.bankofchina.com
Customer Service and Complaint Hotline:
(86) Area Code-95566

Place of Business in Hong Kong SAR
Bank of China Tower, 1 Garden Road, Central, Hong Kong, China

Selected Newspapers for Information Disclosure (A Share)
China Securities Journal, Shanghai Securities News, Securities Times, Economic Information Daily

Website of the SSE for Publication of the Interim Report
www.sse.com.cn

Website of the HKEX for Publication of the Interim Report
www.hkexnews.hk

Place Where Interim Report Can Be Obtained
Head Office of Bank of China Limited
Shanghai Stock Exchange

Securities Information
A Share
Shanghai Stock Exchange
Stock Name: 中國銀行
Stock Code: 601988

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

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

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

Sponsors for Continuous Supervision and Guidance
CITIC Securities Company Limited
Place of Business:
North Tower, Excellence Times Plaza (II), No. 8 Zhong Xin San Road, Futian District, Shenzhen, Guangdong, China
Signing Sponsors: PENG Yuan, WANG Chen
Period of Continuous Supervision and Guidance:
17 June 2025 to 31 December 2026

BOC International (China) Co., Ltd.
Place of Business:
39th Floor, Bank of China Building,
No. 200 Yincheng Middle Road,
Pudong New District, Shanghai, China
Signing Sponsors: DONG Wendan, HE Zhou
Period of Continuous Supervision and Guidance:
17 June 2025 to 31 December 2026

A Share Registrar
Shanghai Branch of China Securities Depository and Clearing Corporation Limited
Office Address:
188 South Yanggao Road,
Pudong New Area,
Shanghai, China
Telephone: (86) 21-4008 058 058

H Share Registrar
Computershare Hong Kong Investor Services Limited
Office Address:
17M Floor, Hopewell Centre,
183 Queen's Road East, Wan Chai,
Hong Kong, China
Telephone: (852) 2862 8555
Facsimile: (852) 2865 0990

Domestic Preference Share Registrar
Shanghai Branch of China Securities Depository and Clearing Corporation Limited
Office Address:
188 South Yanggao Road,
Pudong New Area, Shanghai, China
Telephone: (86) 21-4008 058 058

Financial Highlights

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

Unit: RMB million

	Note	**For the six-month period ended 30 June 2026**	For the six-month period ended 30 June 2025	For the six-month period ended 30 June 2024
Results of operations				
Net interest income		**236,733**	214,816	226,760
Non-interest income	1	**120,380**	114,602	91,169
Operating income		**357,113**	329,418	317,929
Operating expenses		**(126,678)**	(119,496)	(108,290)
Impairment losses on assets	2	**(68,076)**	(57,502)	(60,579)
Operating profit		**162,359**	152,420	149,060
Profit before income tax		**162,919**	153,018	149,203
Profit for the period		**132,031**	126,138	126,536
Profit attributable to equity holders of the Bank		**123,594**	117,591	118,601
Net cash flows from operating activities		**515,800**	33,639	(66,446)
Basic earnings per share (RMB)		**0.36**	0.36	0.36
Key financial ratios				
Return on average total assets (%)	3	**0.67**	0.70	0.76
Return on average equity (%)	4	**8.66**	9.11	9.58
Net interest margin (%)	5	**1.27**	1.26	1.44
Non-interest income to operating income (%)	6	**33.71**	34.79	28.68
Cost to income ratio (%)	7	**23.43**	25.11	25.54
Credit cost (%)	8	**0.58**	0.58	0.71
		As at 30 June 2026	As at 31 December 2025	As at 31 December 2024
Financial position				
Total assets		**40,186,351**	38,358,076	35,061,299
Loans and advances to customers, gross		**24,741,127**	23,453,492	21,594,068
Allowance for loan impairment losses	9	**(606,174)**	(577,144)	(539,177)
Financial investments	10	**10,481,316**	9,659,610	8,360,277
Total liabilities		**36,945,967**	35,149,952	32,108,335
Due to customers		**26,825,763**	26,182,431	24,202,588
Capital and reserves attributable to equity holders of the Bank		**3,100,655**	3,064,044	2,816,231
Share capital		**322,212**	322,212	294,388
Net assets per share (RMB)	11	**8.54**	8.36	8.18
Capital ratios	12			
Net common equity tier 1 capital		**2,681,031**	2,622,071	2,344,261
Net additional tier 1 capital		**359,723**	380,637	419,025
Net tier 2 capital		**1,038,089**	943,159	842,286
Common equity tier 1 capital adequacy ratio (%)		**12.04**	12.53	12.20
Tier 1 capital adequacy ratio (%)		**13.65**	14.34	14.38
Capital adequacy ratio (%)		**18.31**	18.85	18.76
Total risk-weighted assets		**22,276,506**	20,932,851	19,217,559
Asset quality				
Credit-impaired loans to total loans (%)	13	**1.22**	1.23	1.25
Non-performing loans to total loans (%)	14	**1.22**	1.23	1.25
Allowance for loan impairment losses to non-performing loans (%)	15	**200.85**	200.37	200.60
Allowance for loan impairment losses to total loans (%)	16	**2.45**	2.47	2.50

Notes:

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

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

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

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

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

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

7. Cost to income ratio = operating and administrative expenses ÷ operating income × 100%. The cost to income ratio is calculated in accordance with CAS.

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

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

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

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

12. The capital ratios are calculated in accordance with the *Capital Rules for Commercial Banks* and related regulations.

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

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

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

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

Business Overview

Since the beginning of the year, the Bank has adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, diligently implemented the strategies and plans of the CPC Central Committee and the State Council, followed the general principle of seeking progress while maintaining stability and focused on its fundamental purpose of serving the real economy. It effectively implemented macro policies, accelerated business transformation and development, and stepped up efforts to prevent and mitigate risks. As a result, the Bank steadily advanced various aspects of its operational and management work while achieving stable progress in operational performance, laying a solid foundation for a strong start to the 15th Five-Year Plan period.

In the first half of 2026, the Bank achieved sound business development, recorded steady and balanced growth in both assets and liabilities, delivered solid operating results and maintained its key financial indicators within a reasonable range. As at 30 June 2026, the Group's total assets stood at RMB40,186.351 billion, up 4.77% compared with the prior year-end. Total liabilities amounted to RMB36,945.967 billion, up 5.11% compared with the prior year-end. In the first half of 2026, the Group recorded operating income of RMB357.113 billion and a profit for the period of RMB132.031 billion, representing year-on-year increases of 8.41% and 4.67% respectively. Return on average total assets (ROA) was 0.67% and return on average equity (ROE) was 8.66%, both remaining at reasonable levels. Net interest margin was 1.27%, up one basis point year-on-year. The cost to income ratio was 23.43%, down 1.68 percentage points year-on-year, reflecting further improvement in operating efficiency.

Fulfilling its responsibilities as one of the country's leading banks and fully supporting high-quality economic and social development

The Bank ensured robust and effective implementation of macro policies and steadily improved the quality of domestic credit supply. As at 30 June 2026, the Group's RMB loans in the Chinese mainland increased by RMB1.20 trillion or 5.98% compared with the prior year-end. It effectively deployed national fiscal interest subsidy policies and deeply implemented the campaign to boost consumption and expand domestic demand. As at 30 June 2026, it had provided fiscal interest subsidy services on consumer loans to more than 1.66 million customers. It enhanced financial support for priority sectors, with RMB and foreign currency loans to the manufacturing industry increasing by 12% compared with the prior year-end. The Bank supported the development of the private economy, with RMB and foreign currency loans to private enterprises increasing by 9% compared with the prior year-end. It also helped maintaining the stability of the real estate market, granting loans to meet residents' demands for first or improved homes. The Bank contributed to the healthy and stable development of capital markets by financing the share repurchase activities of listed companies, maintaining its market leadership in the volume of credit services related to such financing.

Advancing the "five major tasks" of the financial sector and supporting the real economy towards innovation-driven and higher-quality growth

The Bank consolidated its strengths in technology finance, with technology loans accounting for more than one-third of corporate loans. It maintained its leadership in green finance, increasing its green credit balance (based on PBOC statistical standards) by 13.32% from the prior year-end, and retaining the leading market position among domestic peers in domestic green bond underwriting scale. The Bank's inclusive finance business expanded in both quantity and coverage, with loan balances surpassing RMB3.06 trillion and the number of loan customers exceeding 1.98 million. It also outpaced its peers in both the number and coverage of credit customers drawn from national and provincial-level specialised and sophisticated small and medium-sized enterprises (SMEs). The Bank's pension finance business steadily improved, with the number of individual enterprise annuity accounts and the amount of enterprise annuity funds under custody maintaining stable growth. The Bank accelerated empowerment through digital finance, promoting the application of new technologies including artificial intelligence (AI), expediting outlet transformation and smart operations, and steadily advancing the construction of paperless operation for counter business. It strengthened digital support for financial services, with the number of monthly active personal mobile banking users increasing by 6.86% year-on-year and e-CNY spending volume maintaining a market-leading position.

Consolidating and leveraging its professional and distinctive strengths to proactively support high-level opening-up

Committed to globalisation as a core development strategy, the Bank continued to consolidate its global advantages, expanded its global presence and strengthen its international competitiveness at a faster pace. It further increased financial supply to help stabilise foreign trade, with its domestic institutions completing USD2.61 trillion in international settlement volume, a year-on-year increase of 23%. The total transaction volume of cross-border e-commerce increased by 24.5% year-on-year. The Bank further sharpened its competitive advantages in cross-border RMB business. It continually ranked first in the number of Cross-border Interbank Payment System (CIPS) direct and indirect participant relationships. In the first half of 2026, the Bank was newly authorised to serve as an RMB clearing bank in UK, Sri Lanka and Indonesia, holding 19 seats among the RMB clearing banks designated by the PBOC. Building on its service mechanism of "accessing the Bank's global resources and services at any point of contact", the Bank delivered high-quality, end-to-end services for global clients' local and cross-border operations, leading to steady improvement in its global corporate banking service capabilities and market competitiveness. The Bank also maintained its top market ranking in the underwriting volume of Panda bonds, Free Trade Zone offshore bonds and offshore RMB bonds, and retained its leading market share among Chinese peers in cross-border custody assets. Drawing on the Group's comprehensive business characteristics and focusing on the diversified needs of the real economy, the Bank continuously improved the collaborative coordination mechanism to promote high-quality development in comprehensive operations.

Balancing development and security by effectively preventing and mitigating financial risks

The Bank further strengthened the development of its enterprise risk management system, established and enhanced mechanisms for preventing systemic risks, and took forward-looking measures to control risks. It improved its domestic and overseas risk management capabilities in a coordinated manner, effectively navigated financial market fluctuations, proactively conducted special stress testing in key areas, and kept liquidity risk and market risk generally under control. The Bank tightened credit asset quality management, steadily advanced the resolution of non-performing loans, improved the quality and efficiency of debt recovery and disposal, and maintained sufficient capacity to withstand risks. As at 30 June 2026, the Group's non-performing loan (NPL) ratio was 1.22%, down 0.01 percentage points from the previous year-end, while the coverage ratio of allowance for loan impairment losses to NPLs was 200.85%, up 0.48 percentage points from the previous year-end. The Bank enhanced the quality and efficiency of its capital management. As at 30 June 2026, its capital adequacy ratio was 18.31%, remaining at a reasonable level. The Bank continued to strengthen internal control and anti-money laundering compliance management and solidly advanced the construction of the compliance system, pressing forward effective improvements in the Group's compliance operation capabilities.

Steadily advancing digital and intelligent transformation and continuously enhancing the quality and efficiency of the Group's technological operations

The Bank comprehensively enhanced its technology support capabilities and accelerated infrastructure development, with the number of servers on the Group's cloud platform reaching 55,000. It continued to deepen the innovative application of new technologies, accelerated the implementation of its "AI+" plan, upgraded the BOCAI large model platform and its agent capabilities, and developed more than 2,200 intelligent assistants, thereby achieving comprehensive coverage across front-, middle- and back-office business lines. As at 30 June 2026, the number of BOCAI large model users exceeded 32,000, while its intelligent research and development assistants had more than 10,000 monthly active users, contributing to steady improvement in technology efficiency. The Bank vigorously promoted the replication and rollout of digital transformation outcomes achieved by its branches, fully establishing a value chain linking frontline innovation, Head Office enablement and Bank-wide sharing, and enhancing the quality and efficiency of digital operations and management across the Bank.

Management Discussion and Analysis

FINANCIAL REVIEW

Economic and Financial Environment

In the first half of 2026, geopolitical tensions persisted, while rising prices of energy and raw materials, coupled with increased shipping costs, drove global inflation higher. The international trade landscape kept undergoing readjustment, with diverging performances across major economies. The U.S. economy remained resilient amid heightened volatility; European economic growth was under strain; Japan's economic recovery was exposed to external shocks; and emerging economies showed divergent trends.

The global interest-rate centre edged up and major economies adjusted their monetary policy frameworks. The expectations of the U.S. Federal Reserve rate hike increased, the ECB and the Bank of Japan led the way with rate hikes, the Bank of England raised its tolerance for inflation, and a growing number of emerging-market central banks shifted toward a tightening stance. The U.S. Dollar Index remained strong, and the exchange rates of non-dollar currencies continued to diverge. International capital flows intensified, and financial market fluctuations increased. Long-term bond yields in developed economies faced upward pressure. Commodity prices exhibited structural differentiation as a result of the reconstruction of supply-demand dynamics.

China's economy remained generally stable and achieved innovation-driven and high-quality development. More proactive and effective macro policies continued to deliver, household consumption expanded steadily in scale, investment in emerging areas grew at a relatively fast pace, and notable progress was made in stabilising the scale and optimising the structure of foreign trade. Industrial production maintained a fairly good growth momentum, the quality and efficiency of the service sector was steadily improved, and employment and prices remained generally stable. In the first half of the year, China's gross domestic product (GDP) increased by 4.7% year-on-year, total retail sales of consumer goods and services grew by 2.7% year-on-year, the added value of industrial enterprises above designated size increased by 5.4% year-on-year, and investment in high-tech industries increased by 4.6% year-on-year. The total value of goods imports and exports increased by 16.9% year-on-year, and the trade surplus narrowed by 4.7%. The consumer price index (CPI) increased by 1.0% year-on-year.

China pursued an appropriately accommodative monetary policy, leveraged the synergy of existing and incremental policies, and strengthened counter-cyclical and intertemporal policy adjustments so as to create a favourable monetary and financial environment for sustained improvement and high-quality development of the economy. Aggregate financing maintained reasonable growth, overall social financing costs remained at a low level, and the credit structure continuously improved. Financial markets operated steadily, and the RMB exchange rate remained generally stable at a reasonable and balanced level. As at 30 June 2026, the outstanding broad money supply (M2) was RMB356.7 trillion, up 8.0% year-on-year. Outstanding RMB loans stood at RMB282.6 trillion, up 5.2% year-on-year. Aggregate financing to the real economy (AFRE) reached RMB462.1 trillion, up 7.4% year-on-year. The Shanghai Stock Exchange Composite Index stood at 4,094.4 points, up 3.2% from the prior year-end. The central parity rate of the RMB against the U.S. dollar was 6.8109, an appreciation of 3.2% compared with the prior year-end.

China's banking sector earnestly implemented the work requirements for risk prevention, enhanced supervision and the promotion of high-quality development, and scaled up the provision of high-quality financial services for major national strategies, key areas and weak links, thus supporting a good start to the 15th Five-Year Plan. It strengthened support for the optimisation and upgrading of traditional industries, the cultivation and expansion of emerging industries and future-oriented industries, and the high-quality and efficient development of the service sector. It also accelerated efforts to support self-reliance and strength in high-level science and technology, as well as the development of new quality productive forces. The sector proactively advanced the comprehensive green transition of economic and social development, and contributed to the nation's dual carbon goals. It effectively met the reasonable financing needs of inclusive small and micro-sized enterprises, as well as private enterprises, and supported the development of pension finance and the silver economy. It expanded the use of the RMB in international trade, investment and financing to boost high-level opening up. It steadily advanced its digital and intelligent transformation to improve the quality and efficiency of financial services. The sector also firmly defended the bottom line whereby no systemic risks will occur, effectively prevented and defused risks in key areas, kept major risk regulatory indicators within an appropriate range, and maintained sufficient capacity to withstand risks.

Profit or Loss Analysis

Adhering to the principle of pursuing progress while ensuring stability and promoting stability through progress, the Bank vigorously pursued cost reduction, quality improvement and efficiency enhancement, thus making steady gains in business performance. In the first half of 2026, the Group achieved a profit for the period of RMB132.031 billion, an increase of 4.67% compared with the same period of the prior year. It realised a profit attributable to equity holders of the Bank of RMB123.594 billion, an increase of 5.10% compared with the same period of the prior year. Return on average total assets (ROA) was 0.67% and return on average equity (ROE) was 8.66%.

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

Unit: RMB million, except percentages

Items	For the six-month period ended 30 June 2026	For the six-month period ended 30 June 2025	Change	Change (%)
Net interest income	**236,733**	214,816	21,917	10.20%
Non-interest income	**120,380**	114,602	5,778	5.04%
Including: net fee and commission income	**47,209**	46,791	418	0.89%
Operating income	**357,113**	329,418	27,695	8.41%
Operating expenses	**(126,678)**	(119,496)	(7,182)	6.01%
Impairment losses on assets	**(68,076)**	(57,502)	(10,574)	18.39%
Operating profit	**162,359**	152,420	9,939	6.52%
Profit before income tax	**162,919**	153,018	9,901	6.47%
Income tax expense	**(30,888)**	(26,880)	(4,008)	14.91%
Profit for the period	**132,031**	126,138	5,893	4.67%
Profit attributable to equity holders of the Bank	**123,594**	117,591	6,003	5.10%

Net Interest Income and Net Interest Margin

In the first half of 2026, the Group recorded net interest income of RMB236.733 billion, an increase of RMB21.917 billion or 10.20% compared with the same period of the prior year. Specifically, interest income decreased by RMB7.196 billion or 1.43% to RMB496.135 billion, while interest expense stood at RMB259.402 billion, a decrease of RMB29.113 billion or 10.09% compared with the same period of the prior year.

Interest Income

In the first half of 2026, interest income on loans and advances to customers was RMB329.783 billion, a decrease of RMB9.568 billion or 2.82% compared with the same period of the prior year, which was primarily attributable to falling interest rates of loans and advances to customers.

Interest income on financial investments amounted to RMB121.327 billion, an increase of RMB5.800 billion or 5.02% compared with the same period of the prior year, mainly due to an increase in investment scale.

Interest income on balances with central banks and due from and placements with banks and other financial institutions was RMB45.025 billion, a decrease of RMB3.428 billion or 7.07% compared with the same period of the prior year, mainly due to declines in the interest rates of due from and placements with banks and other financial institutions.

Interest Expense

In the first half of 2026, interest expense on due to customers was RMB180.750 billion, a decrease of RMB29.781 billion or 14.15% compared with the same period of the prior year, which was primarily attributable to a decline in the interest rates of due to customers.

Interest expense on due to and placements from banks and other financial institutions was RMB53.754 billion, an increase of RMB1.756 billion or 3.38% compared with the same period of the prior year, mainly due to an increase in the scale of due to and placements from banks and other financial institutions.

Interest expense on bonds issued was RMB24.898 billion, a decrease of RMB1.088 billion or 4.19% compared with the same period of the prior year, which was mainly due to a decline in the interest rates of bonds issued.

Net Interest Margin

In the first half of 2026, the Group's net interest margin was 1.27%, an increase of 1 basis point compared with the same period of the prior year. The average interest rate of the Group's interest-earning assets decreased by 30 basis points, mainly affected by factors such as the repricing of domestic RMB loans following last year's reduction of the domestic RMB Loan Prime Rate (LPR) and the decline in market interest rates. In the face of downward pressure on interest rates, the Bank actively strengthened proactive management, adhered to the coordinated development of volume and pricing, and continuously reinforced the control of deposit costs, driving the average interest expense rate on interest-bearing liabilities down by 35 basis points, thereby supporting the stabilisation and recovery of the net interest margin. In addition, the average balance of RMB medium and long-term loans and advances to customers in the Chinese mainland accounted for 69.34% of the Bank's total RMB loans and advances to customers in the Chinese mainland, remaining at a relatively high level.

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

Unit: RMB million, except percentages

Items	For the six-month period ended 30 June 2026			For the six-month period ended 30 June 2025			Analysis of changes in interest income/expense		
	Average balance	Interest income/ expense	Average interest rate	Average balance	Interest income/ expense	Average interest rate	Volume factor	Interest rate factor	Total
Interest-earning assets									
Loans and advances to customers	**24,122,565**	**329,783**	**2.76%**	22,257,507	339,351	3.07%	28,393	(37,961)	(9,568)
Financial investments	**9,067,107**	**121,327**	**2.70%**	7,919,517	115,527	2.94%	16,731	(10,931)	5,800
Balances with central banks and due from and placements with banks and other financial institutions	**4,491,026**	**45,025**	**2.02%**	4,140,264	48,453	2.36%	4,105	(7,533)	(3,428)
Total	**37,680,698**	**496,135**	**2.66%**	34,317,288	503,331	2.96%	49,229	(56,425)	(7,196)
Interest-bearing liabilities									
Due to customers	**26,103,470**	**180,750**	**1.40%**	24,401,055	210,531	1.74%	14,689	(44,470)	(29,781)
Due to and placements from banks and other financial institutions	**6,484,985**	**53,754**	**1.67%**	4,960,302	51,998	2.11%	15,953	(14,197)	1,756
Bonds issued	**2,149,085**	**24,898**	**2.34%**	1,977,707	25,986	2.65%	2,252	(3,340)	(1,088)
Total	**34,737,540**	**259,402**	**1.51%**	31,339,064	288,515	1.86%	32,894	(62,007)	(29,113)
Net interest income		**236,733**			214,816		16,335	5,582	21,917
Net interest margin			**1.27%**			1.26%			1Bp

Notes:

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

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

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

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

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

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

Items	**For the six-month period ended 30 June 2026**		For the six-month period ended 30 June 2025		Change	
	Average balance	**Average interest rate**	Average balance	Average interest rate	Average balance	Average interest rate
RMB businesses in the Chinese mainland				Unit: RMB million, except percentages		
Loans and advances to customers						
Corporate loans and advances	**13,525,888**	**2.58%**	11,992,754	2.82%	1,533,134	(24) Bps
Personal loans	**5,989,760**	**2.99%**	6,008,803	3.26%	(19,043)	(27) Bps
Trade bills	**1,242,471**	**0.80%**	978,813	0.95%	263,658	(15) Bps
Total	**20,758,119**	**2.59%**	18,980,370	2.86%	1,777,749	(27) Bps
Including:						
Medium and long-term loans and advances	**14,392,913**	**2.83%**	13,762,584	3.06%	630,329	(23) Bps
Short-term loans and advances within 1 year and others	**6,365,206**	**2.06%**	5,217,786	2.33%	1,147,420	(27) Bps
Due to customers						
Corporate demand deposits	**4,091,249**	**0.30%**	3,971,631	0.44%	119,618	(14) Bps
Corporate time deposits	**4,749,451**	**1.81%**	4,504,418	2.25%	245,033	(44) Bps
Personal demand deposits	**3,451,778**	**0.05%**	3,197,154	0.08%	254,624	(3) Bps
Personal time deposits	**7,254,569**	**1.70%**	6,633,853	2.16%	620,716	(46) Bps
Other	**937,004**	**1.81%**	768,291	2.07%	168,713	(26) Bps
Total	**20,484,051**	**1.17%**	19,075,347	1.47%	1,408,704	(30) Bps
Foreign currency businesses in the Chinese mainland				Unit: USD million, except percentages		
Loans and advances to customers	**31,875**	**4.05%**	29,194	4.67%	2,681	(62) Bps
Due to customers						
Corporate demand deposits	**78,252**	**2.39%**	66,398	2.55%	11,854	(16) Bps
Corporate time deposits	**44,544**	**3.00%**	28,317	3.29%	16,227	(29) Bps
Personal demand deposits	**29,134**	**0.02%**	25,856	0.02%	3,278	Remain Unchanged
Personal time deposits	**23,350**	**1.91%**	20,564	1.81%	2,786	10 Bps
Other	**443**	**1.82%**	1,281	2.36%	(838)	(54) Bps
Total	**175,723**	**2.09%**	142,416	2.13%	33,307	(4) Bps

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

Non-interest Income

In the first half of 2026, the Group reported non-interest income of RMB120.380 billion, an increase of RMB5.778 billion or 5.04% compared with the same period of the prior year. Non-interest income represented 33.71% of operating income, remaining at a relatively high level.

Net Fee and Commission Income

The Group achieved net fee and commission income of RMB47.209 billion, an increase of RMB0.418 billion or 0.89% compared with the same period of the prior year. This was mainly because the Bank focused on the customers' diverse financial needs and made greater efforts to expand businesses such as wealth management and asset custody, which resulted in an increase in revenues from custodian and other fiduciary services, as well as settlement and clearing business. Please refer to Note III.2 to the Condensed Consolidated Interim Financial Statements.

Other Non-interest Income

The Group realised other non-interest income of RMB73.171 billion, an increase of RMB5.360 billion or 7.90% compared with the same period of the prior year. This was primarily due to the increase of the net gains from financial asset transfers by proactively seizing market volatility opportunities. Please refer to Notes III.3, 4 and 5 to the Condensed Consolidated Interim Financial Statements.

Operating Expenses

In line with the principle of conserving resources and avoiding waste, the Bank continually optimised its cost structure, enhanced refined management, and improved input-output efficiency. In the first half of 2026, the Group recorded operating and administrative expenses (including staff costs, general operating and administrative expenses, depreciation and amortisation) of RMB83.627 billion, an increase of RMB0.999 billion or 1.21% compared with the same period of the prior year. The Group's cost to income ratio was 23.43%, a decline of 1.68 percentage points compared with the same period of the prior year, remaining at a relatively low level. Please refer to Notes III.6, 7 to the Condensed Consolidated Interim Financial Statements.

Impairment Losses on Assets

The Bank consistently maintained a proactive and forward-looking approach to risk management, ensuring relatively stable credit asset quality. Meanwhile, the Bank rigorously implemented a prudent and robust provisioning policy to maintain sufficient risk-absorption capacity. In the first half of 2026, the Group's impairment losses on assets totalled RMB68.076 billion, an increase of RMB10.574 billion or 18.39% compared with the same period of the prior year. Please refer to the section "Risk Management – Credit Risk Management" and Notes III.8, 16 and Note IV.1 to the Condensed Consolidated Interim Financial Statements for more information on loan quality and the allowance for loan impairment losses.

Financial Position Analysis

The Bank committed to the nation's new development philosophy, strived to promote high-quality development, dynamically adjusted its business strategies, and continually improved its financial supply, thus achieving steady growth in its assets and liabilities. As at 30 June 2026, the Group's total assets amounted to RMB40,186.351 billion, an increase of RMB1,828.275 billion or 4.77% compared with the prior year-end. The Group's total liabilities amounted to RMB36,945.967 billion, an increase of RMB1,796.015 billion or 5.11% compared with the prior year-end.

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

Unit: RMB million, except percentages

	As at 30 June 2026		As at 31 December 2025	
Items	**Amount**	**% of total**	Amount	% of total
Assets				
Loans and advances to customers, net	**24,135,224**	**60.06%**	22,876,769	59.64%
Financial investments	**10,481,316**	**26.08%**	9,659,610	25.18%
Balances with central banks	**2,415,706**	**6.01%**	2,467,104	6.43%
Due from and placements with banks and other financial institutions	**1,702,901**	**4.24%**	2,005,917	5.23%
Other assets	**1,451,204**	**3.61%**	1,348,676	3.52%
Total assets	**40,186,351**	**100.00%**	38,358,076	100.00%
Liabilities				
Due to customers	**26,825,763**	**72.61%**	26,182,431	74.49%
Due to and placements from banks and other financial institutions and due to central banks	**6,597,214**	**17.86%**	5,475,044	15.58%
Other borrowed funds	**2,325,765**	**6.30%**	2,349,233	6.68%
Other liabilities	**1,197,225**	**3.23%**	1,143,244	3.25%
Total liabilities	**36,945,967**	**100.00%**	35,149,952	100.00%

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

Loans and Advances to Customers

The Bank earnestly fulfilled its responsibilities as a large state-owned bank by focusing on the "five major tasks" of promoting technology finance, green finance, inclusive finance, pension finance and digital finance and strengthening support for major national strategies, key areas and weak links in the real economy. As a result, it achieved stable and balanced growth in its loan business. As at 30 June 2026, the Group's loans and advances to customers amounted to RMB24,741.127 billion, an increase of RMB1,287.635 billion or 5.49% compared with the prior year-end.

The Bank closely tracked changes in the macroeconomic situation, continuously optimised its credit structure, strengthened risk identification and management in key areas and made greater efforts in the disposal of non-performing assets, thus maintaining generally stable asset quality. As at 30 June 2026, the balance of the Group's allowance for loan impairment losses amounted to RMB606.174 billion, an increase of RMB29.030 billion compared with the prior year-end. The balance of the Group's restructured NPLs amounted to RMB135.888 billion, accounting for 0.55% of the Group's gross loans and advances to customers (excluding accrued interest), which represented an increase of RMB15.336 billion and 0.03 percentage points respectively, compared with the prior year-end.

Loans and Advances to Customers by Geography

Unit: RMB million, except percentages

	As at 30 June 2026		As at 31 December 2025		As at 31 December 2024	
Items	**Amount**	**% of total**	Amount	% of total	Amount	% of total
Corporate loans and advances						
Chinese mainland: RMB	**15,239,691**	**61.60%**	14,037,435	59.85%	12,219,758	56.59%
Foreign currency	**233,114**	**0.94%**	222,710	0.95%	246,551	1.14%
Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions	**2,401,509**	**9.71%**	2,322,166	9.90%	2,252,240	10.43%
Subtotal	**17,874,314**	**72.25%**	16,582,311	70.70%	14,718,549	68.16%
Personal loans						
Chinese mainland: RMB	**6,017,625**	**24.32%**	6,021,226	25.67%	6,029,919	27.93%
Foreign currency	**1,750**	**0.01%**	1,850	0.01%	1,777	0.01%
Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions	**801,598**	**3.24%**	802,127	3.42%	793,340	3.67%
Subtotal	**6,820,973**	**27.57%**	6,825,203	29.10%	6,825,036	31.61%
Accrued interest	**45,840**	**0.18%**	45,978	0.20%	50,483	0.23%
Total loans and advances to customers	**24,741,127**	**100.00%**	23,453,492	100.00%	21,594,068	100.00%

Financial Investments

The Bank closely tracked financial market dynamics, seized investment opportunities, and dynamically adjusted its portfolio structure. As at 30 June 2026, the Group held financial investments of RMB10,481.316 billion, an increase of RMB821.706 billion or 8.51% compared with the prior year-end. Specifically, the Group's RMB investments totalled RMB7,720.980 billion, an increase of RMB651.975 billion or 9.22% compared with the prior year-end, while foreign currency financial investments totalled USD405.282 billion, an increase of USD36.712 billion or 9.96% compared with the prior year-end.

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

Unit: RMB million, except percentages

Items	As at 30 June 2026 Amount	% of total	As at 31 December 2025 Amount	% of total
Financial assets at fair value through profit or loss	**835,721**	**7.97%**	757,713	7.84%
Financial assets at fair value through other comprehensive income	**4,807,807**	**45.87%**	4,630,814	47.94%
Financial assets at amortised cost	**4,837,788**	**46.16%**	4,271,083	44.22%
Total	**10,481,316**	**100.00%**	9,659,610	100.00%

Financial Investments by Currency

Unit: RMB million, except percentages

Items	As at 30 June 2026 Amount	% of total	As at 31 December 2025 Amount	% of total
RMB	**7,720,980**	**73.66%**	7,069,005	73.18%
USD	**1,468,604**	**14.01%**	1,375,398	14.24%
HKD	**517,635**	**4.94%**	474,178	4.91%
Other	**774,097**	**7.39%**	741,029	7.67%
Total	**10,481,316**	**100.00%**	9,659,610	100.00%

Top Ten Financial Bonds by Value Held by the Group

Unit: RMB million, except percentages

Bond Name	Par Value	Annual Rate	Maturity Date	Impairment Allowance
Bond issued by policy banks in 2022	29,976	3.18%	2032-03-11	–
Bond issued by policy banks in 2022	28,094	2.96%	2032-07-18	–
Bond issued by policy banks in 2022	24,522	2.98%	2032-04-22	–
Bond issued by policy banks in 2022	23,659	2.90%	2032-08-19	–
Bond issued by policy banks in 2022	21,226	3.00%	2032-01-17	–
Bond issued by policy banks in 2022	18,810	2.77%	2032-10-24	–
Bond issued by policy banks in 2021	16,548	3.12%	2031-09-13	–
Bond issued by policy banks in 2023	16,310	3.02%	2033-03-06	–
Bond issued by policy banks in 2022	16,222	3.06%	2032-06-06	–
Bond issued by financial institutions in 2025	15,000	1.85%	2028-02-28	–

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

Due to Customers

The Bank accelerated product and service innovation, continuously improved the quality and efficiency of financial services, promoting high-quality development in its deposit business. It focused on expanding low-cost funds by actively developing key businesses such as payroll services, fast payment services, third-party depository services, cash management services, and wealth management. In this way, it promoted RMB deposit growth while controlling costs. At the same time, the Bank bolstered its efforts to serve national strategies and high-level opening up by providing integrated services tailored to global customers' financial needs, achieving solid growth in foreign currency deposits. As at 30 June 2026, the Group's due to customers amounted to RMB26,825.763 billion, an increase of RMB643.332 billion or 2.46% compared with the prior year-end.

Due to Customers by Geography

Unit: RMB million, except percentages

Items	As at 30 June 2026 Amount	As at 30 June 2026 % of total	As at 31 December 2025 Amount	As at 31 December 2025 % of total	As at 31 December 2024 Amount	As at 31 December 2024 % of total
Corporate deposits						
Chinese mainland: RMB	**9,260,406**	**34.52%**	9,144,565	34.93%	8,862,649	36.63%
Foreign currency	**869,580**	**3.24%**	793,460	3.03%	564,823	2.33%
Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions	**2,606,143**	**9.72%**	2,565,738	9.80%	2,330,682	9.63%
Subtotal	**12,736,129**	**47.48%**	12,503,763	47.76%	11,758,154	48.59%
Personal deposits						
Chinese mainland: RMB	**11,420,443**	**42.57%**	10,871,726	41.52%	9,810,514	40.53%
Foreign currency	**376,445**	**1.40%**	359,319	1.37%	320,789	1.33%
Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions	**1,561,094**	**5.82%**	1,590,676	6.08%	1,540,094	6.36%
Subtotal	**13,357,982**	**49.79%**	12,821,721	48.97%	11,671,397	48.22%
Certificates of deposits	**360,044**	**1.34%**	421,423	1.61%	324,563	1.34%
Others	**371,608**	**1.39%**	435,524	1.66%	448,474	1.85%
Total deposits	**26,825,763**	**100.00%**	26,182,431	100.00%	24,202,588	100.00%

Note: "Others" includes accrued interest.

Equity

As at 30 June 2026, the Group's total equity stood at RMB3,240.384 billion, an increase of RMB32.260 billion or 1.01% compared with the prior year-end. This was primarily attributable to the following factors: (1) In the first half of 2026, the Group realised a profit for the period of RMB132.031 billion, of which profit attributable to equity holders of the Bank amounted to RMB123.594 billion. (2) As per the 2025 final dividend distribution plan approved at the General Meeting, a cash dividend of RMB37.667 billion was paid out on ordinary shares. (3) The Bank made steady progress in external capital replenishment and strengthened the management of its existing capital. The Bank issued RMB30.0 billion of undated capital bonds and redeemed RMB50.0 billion of undated capital bonds. (4) The Bank paid a dividend on its preference shares of RMB3.423 billion and interest on undated capital bonds of RMB4.846 billion. Please refer to the "Condensed Consolidated Interim Statement of Changes in Equity" in the Condensed Consolidated Interim Financial Information.

Cash Flow Analysis

As at 30 June 2026, the balance of the Group's cash and cash equivalents was RMB1,910.749 billion, a decrease of RMB394.094 billion compared with the prior year-end.

In the first half of 2026, net cash flow from operating activities was an inflow of RMB515.800 billion, an increase of RMB482.161 billion compared with the same period of the prior year. This was mainly attributable to an increase in net increase in due to banks and other financial institutions.

Net cash flow from investing activities was an outflow of RMB763.747 billion, an increase of RMB116.087 billion compared with the same period of the prior year. This was mainly due to an increase in outflow related to financial investment.

Net cash flow from financing activities was an outflow of RMB93.981 billion, compared with an inflow of RMB87.599 billion in the same period of the prior year. This was mainly due to proceeds from issuance of ordinary shares in the same period last year.

Segment Information

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

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

Unit: RMB million, except percentages

Items	**For the six-month period ended 30 June 2026**		For the six-month period ended 30 June 2025	
	Amount	**% of total**	Amount	% of total
Chinese mainland	**281,326**	**78.63%**	251,690	76.23%
Hong Kong (China), Macao (China) and Taiwan (China)	**60,878**	**17.01%**	63,193	19.14%
Other countries and regions	**15,597**	**4.36%**	15,300	4.63%
Elimination	**(688)**	**–**	(765)	–
Total	**357,113**	**100.00%**	329,418	100.00%

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

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

Unit: RMB million, except percentages

Items	**For the six-month period ended 30 June 2026**		For the six-month period ended 30 June 2025	
	Amount	**% of total**	Amount	% of total
Commercial banking business	**325,312**	**91.09%**	298,320	90.56%
Including: Corporate banking	**135,562**	**37.96%**	119,439	36.25%
Personal banking	**139,673**	**39.11%**	130,044	39.48%
Treasury operations	**50,077**	**14.02%**	48,837	14.83%
Investment banking and insurance	**19,708**	**5.52%**	20,865	6.33%
Others and elimination	**12,093**	**3.39%**	10,233	3.11%
Total	**357,113**	**100.00%**	329,418	100.00%

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

Fair Value Measurement

Movement of financial instruments measured at fair value is set forth in the following table:

Unit: RMB million

Items	As at 30 June 2026	As at 31 December 2025	Change
Due from and placements with banks and other financial institutions at fair value, etc.	**107,007**	96,401	10,606
Financial assets at fair value through profit or loss			
Debt securities	**561,338**	500,071	61,267
Equity instruments	**120,628**	121,356	(728)
Fund investments and other	**153,755**	136,286	17,469
Loans and advances to customers at fair value	**1,366,194**	1,234,892	131,302
Financial assets at fair value through other comprehensive income			
Debt securities	**4,759,919**	4,576,985	182,934
Equity instruments and other	**47,888**	53,829	(5,941)
Derivative financial assets	**152,744**	132,841	19,903
Derivative financial liabilities	**(130,500)**	(131,022)	522
Due to and placements from banks and other financial institutions at fair value	**(49,030)**	(21,343)	(27,687)
Due to customers at fair value	**(32,860)**	(44,267)	11,407
Bonds issued at fair value	**(2,916)**	(2,043)	(873)
Financial liabilities held for trading	**(51,241)**	(79,717)	28,476

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

Other Financial Information

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

BUSINESS REVIEW

Advancing the Robust Implementation of the "Five Major Tasks"

Since the beginning of the year, the Bank earnestly implemented national strategies and plans, took necessary measures to deepen supply-side structural reform in the financial sector, and stepped up financial support for major strategies, key areas and weak links. It advanced the "five major tasks" of promoting technology finance, green finance, inclusive finance, pension finance and digital finance, and achieved high-quality development while serving the advancement of Chinese modernisation.

Technology Finance

The Bank thoroughly implemented its innovation-driven development strategy, actively supported the country's high-level self-reliance and self-improvement in science and technology, pursued high-level planning, high-standard services and high-quality development, and continuously refined a financial service system aligned with the dynamics of scientific and technological innovation. It delivered full-lifecycle financial support for tech enterprises and technology-related industries, and used its financial resources to empower the development of new quality productive forces and build China into a science and technology powerhouse. As at 30 June 2026, the Bank had provided technology loans to a total of 200 thousand enterprises, with technology loans accounting for more than one-third of corporate loans.

Fully supporting the implementation of major national strategies and effectively leveraging policy instruments. Seizing opportunities arising from the government's package of incremental policies as well as fiscal-financial coordination policies to boost domestic demand, the Bank advanced the coordinated implementation of monetary, fiscal and financial policy to accelerate the translation of policy dividends into tangible results for technology finance services. It unblocked direct financing channels for tech enterprises, underwriting RMB44.2 billion of sci-tech innovation bonds in the interbank market in the first half of the year. The Bank also fully utilised various re-lending monetary policy tools and fiscal interest subsidy policies. As at 30 June 2026, the outstanding balance of loans for sci-tech innovation and equipment renewal exceeded RMB210.0 billion.

Deploying full-chain services for key tech industries to accelerate the fostering of new quality productive forces. The Bank fully implemented an action plan to support the development of the AI industrial chain and launched joint research on AI industry indices together with China Securities Index Co., Ltd. It pioneered innovative businesses including "computing power bank" and "computing power supermarket", and signed a memorandum of understanding with the China Academy of Information and Communications Technology, becoming the first financial institution to participate deeply in the development of China's national computing power platform ecosystem. As the sole invited financial institution, it took part in the construction of the China-ASEAN AI Industry Innovation Centre and supported AI enterprises in "Going Global". As at 30 June 2026, the Bank had served over 5,200 core enterprises along the AI industrial chain, with outstanding credit facilities surpassing RMB640.0 billion. It published an action plan to support full-chain innovative development in biomedicine, setting out plans to provide at least RMB1 trillion of comprehensive financial support during the 15th Five-Year Plan period to advance the high-quality development of the biomedicine sector.

Integrating financial services across the full lifecycle of sci-tech innovation and continually enhancing their adaptability. With a focus on the six key links of "technical research, concept verification, small-scale R&D, pilot-scale transformation, industrial upgrading and global expansion", the Bank systematically developed a full-spectrum product portfolio to enable its financial services offering to better match customer demands at different stages of sci-tech innovation. Focusing on the critical juncture in which sci-tech achievements are translated from R&D to industrialisation, it established cooperation with nearly 200 national and ministerial-level pilot-scale testing platforms and jointly promoted the "Pilot Test Insurance & Financing". The Bank comprehensively rolled out the "BOC Sci-Tech Innovation Integrated Customer Cultivation Programme", which had nearly 40 projects in its pipeline to date. Drawing on its strengths in globalised operations, it delivered integrated cross-border financial services to facilitate tech enterprises' global expansion.

Advancing the development of a sci-tech innovation ecosystem and upgrading its comprehensive service capacity. The Bank fully implemented the "BOC Sci-Tech Innovation Ecosystem Partner Programme" to strengthen cooperation with ecosystem partners including government authorities, stock exchanges and investment institutions. It hosted more than 70 themed events in the first half of the year, attracting nearly 500 investment institutions and providing diversified services including financing matching and industrial coordination for over 2,800 tech enterprises. Leveraging the Group's advantages in comprehensive operations, the Bank actively deployed patient capital, participated in the establishment of the Beijing-Tianjin-Hebei Venture Capital Guidance Fund and established sci-tech innovation mother funds in Shanghai and Xi'an, with a focus on supporting early-stage, small-scale, long-term and hard-tech investments.

Green Finance

The Bank incorporated green development concepts into every aspect of the Group's operations, management and business development, with the aim of becoming a driving force in green and low-carbon socioeconomic development.

Maintaining a leading position in green loans and bonds. As at 30 June 2026, the Bank's green loan balance (calculated based on PBOC statistical standards) reached RMB5,622.349 billion, an increase of 13.32% compared to the beginning of the year. Its domestic green bond underwriting scale was approximately RMB79.5 billion, ranking first in the interbank market. The Bank's green bond investments exceeded RMB100.0 billion, ranking first in the list of "Investors in Green Debt Financing Instruments" compiled by the National Association of Financial Market Institutional Investors (NAFMII).

Offering abundant and diversified green products and services. The Bank continued to forge "BOC Green+" into a global brand, and launched dozens of green financial products and services across five categories, covering loans, bonds, consumption and integrated services, etc. In the first half of 2026, the Bank disbursed multiple tranches of climate-related loans. Acting as lead underwriter, green structuring advisor and principal clearing bank, it assisted the MOF in issuing its first-ever RMB-denominated green sovereign bond in Hong Kong, China, totalling RMB6.0 billion. It further enhanced its instalment financing services for new energy vehicles (NEV) and developed mobile digital tools to support vehicle sales and improve customers' purchasing experience.

Actively participating in green finance exchange and collaboration. Under the framework of the United Nations Principles for Responsible Banking (PRB), the Bank advanced climate risk management and climate-related disclosure. It actively fulfilled its responsibilities as Co-chair of the Transition Finance Taskforce of the Green Investment Principle (GIP) for the Belt and Road initiative and the leading Chinese institution of the UK-China Nature & Biodiversity Finance Workstream initiated by the UK-China Green Finance Taskforce, thereby boosting international cooperation and exchanges in green finance. The Bank also co-hosted the Seminar on Nature-related Financial Disclosure Practices with City of London, etc.

Strengthening green finance capacity building. The Bank organised training sessions on green finance for vocational practitioners to consolidate the development of a high-calibre green finance talent pool and elevate its professional capabilities in green finance services. It launched an open competition programme on green finance innovation to provide effective incentives for innovation in green finance products and services. The Bank continued to enhance the quality and effectiveness of services at more than 500 specialised green finance outlets. The Bank actively participated in the construction of China's national carbon market, empowering society for high-quality, green and low-carbon development. It received the Best Trading Award for 2025 from the Beijing Green Exchange (the institution authorised to operate and manage China's National Voluntary Greenhouse Gas Emissions Reduction Trading System), being the only commercial bank to receive this honour.

Inclusive Finance

The Bank actively served micro and small-sized market entities. Focusing on key areas and weak links, it enriched its innovative financial products, constantly optimised its service model and built a more convenient service system to better meet customer needs and promote the high-quality development of inclusive finance.

Adhering to people-oriented finance and enhancing the coverage and quality of credit services. The Bank advanced efforts to "ensure volume, improve quality, stabilise prices and optimise structure" in financial services for micro and small-sized enterprises, better addressing their financing needs and benefitting more market entities. As at 30 June 2026, the Bank's outstanding inclusive finance loans to micro and small-sized enterprises (calculated based on NFRA statistical standards) reached RMB3.06 trillion, representing an increase of 10.60% from the beginning of the year and outpacing the Bank's average overall loan growth rate. The number of inclusive finance customers stood at 1.9875 million, up 8.19% from the beginning of the year. The average interest rate of newly issued inclusive finance loans to micro and small-sized enterprises was 2.83%, delivering a steady decline in their financing costs. It strengthened full-process risk management and the asset quality of loans to micro and small-sized enterprises remained controllable overall.

Serving the people with financial services and providing targeted support for national development priorities. The Bank supported the cultivation of new quality productive forces, generated new growth momentum for sci-tech innovation-based micro and small-sized enterprises, and promoted its intellectual property pledge financing business. It extended over RMB929.1 billion in loans to more than 61,000 national and provincial-level specialised and sophisticated SMEs. Fulfilling its social responsibility to stabilise and promote employment, the Bank held "Inclusive Loan for Employment Promotion" themed events for consecutive years. It provided special-purpose credit support for entities with strong capabilities in stabilising and promoting employment, extending special-purpose loans of RMB390.0 billion to such enterprises in the first half of 2026. To support the development of service-sector businesses, the Bank launched exclusive financial services such as loans for "famous-brand, special, excellent and new products", "Innovation Support Loan", and "Veteran Support Loan" for self-employed individuals, thereby safeguarding people's livelihood through financial empowerment.

Intensifying efforts in key areas and actively serving all-round rural revitalisation. The Bank supported national food security and the stable production and supply of important agricultural products, consolidated and expanded poverty alleviation achievements, and promoted the development of distinctive industries in counties and townships. It supported new types of agricultural operating entities, constantly enhanced the efficiency of financial services for supporting agriculture, benefitting farmers and increasing farmers' income. The Bank continued to increase credit support to the agriculture sector. As at 30 June 2026, the balance of agriculture-related loans amounted to RMB3.15 trillion, an increase of 10.85% from the beginning of the year, while the balance of inclusive agriculture-related loans reached RMB706.357 billion, an increase of 13.66% from the beginning of the year. The Bank continued to increase financial support for key counties receiving assistance and optimised its institutions layout in county areas.

Leveraging its distinctive strengths to support high-standard opening up. Focusing on the international exchange and cooperation needs of SMEs, the Bank fully leveraged its global strengths and coordinated its domestic and overseas operations to support national-level exhibitions and trade promotion platforms, including the China International Import Expo. It provided specialised cross-border matchmaking services through the "BOC E-Cooperation" platform. In the first half of 2026, the Bank organised a number of events, including the "CIIE in Anhui" BOC Cross-border Matchmaking Conference, and continued to enhance its financial service system for supporting private enterprises in "Going Global". As at 30 June 2026, the Bank had organised 139 matchmaking events worldwide cumulatively, attracting more than 60,000 enterprises from over 140 countries and regions.

Pension Finance

The Bank actively supported the national strategy of addressing China's ageing population. It deepened its efforts in the three major areas of pension finance, personal pension finance and elderly care industry finance, enhanced its service matrix covering the four major customer groups of governments, enterprises, individuals and financial institutions, and continued to enrich its "BOC Pension Finance" service system. In the first half of 2026, the Bank held the "BOC Pension Finance – A Lasting Companion" Pension Finance Product and Service Launch Event. By integrating resources across the Group, it launched a range of pension finance products and featured services to provide comprehensive support for the high-quality development of the silver economy.

Serving the multi-level, multi-pillar pension insurance system. Giving full play to its professional capabilities, the Bank provided comprehensive, high-quality services for National Social Security Fund, basic pension insurance, enterprise annuities, occupational annuities, and personal pension funds. As at 30 June 2026, the Bank had 131 million valid social security cards in circulation, 4.7144 million enterprise annuity individual accounts, entrusted pension funds of RMB348.376 billion and pension funds under custody of RMB1.45 trillion, maintaining strong market competitiveness in terms of the number of enterprise annuity individual accounts and the scale of annuities under custody. As one of the first pilot banks for personal pension services, it fully supported the nationwide implementation of the personal pension system and developed comprehensive financial services for personal pensions including account opening, contributions, investment and withdrawals. It offered five types of personal pension products, including savings, wealth management, insurance, funds and savings treasury bonds, serving over ten million personal pension customers.

Building a one-stop personal pension financial service system. The Bank further enriched its range of personal pension products, including savings, wealth management, funds, insurance and savings treasury bonds, to provide diversified investment options for its customers. In the first half of 2026, it introduced 7 eldercare-themed wealth management products and eldercare-themed funds, recording total assets under management of RMB34.586 billion as at 30 June 2026. The Bank continued to enhance the pension finance section of its mobile banking app by refreshing its interface, expanding its functions and customer benefits, and continuously improving the customer experience. All business outlets fully implemented elderly-friendly service standards, with more than 1,000 pension finance outlets established and over 200 "Community Elderly Care Service Alliances" formed, thereby integrating the Bank's services into "15-minute community eldercare service circles".

Supporting the high-quality development of the elderly care industry and the silver economy. The Bank utilised PBOC relending facilities for service consumption and elderly care to further increase financial support for the supply of products and services to elderly customers, the construction of new elderly-oriented infrastructure, the elderly-friendly upgrading of existing facilities, and the research, development and design of intelligent elderly-assistive devices. These efforts enhanced the precision and efficiency of financial resource allocation in support of the silver economy. As at 30 June 2026, the outstanding balance of loans to the elderly care industry increased by more than 50%. Leveraging its global service network, cross-border expertise and integrated service capabilities, the Bank held events as part of the "Elderly Care Industry Partners Programme" during the China International Consumer Products Expo. More than 50 enterprises in the elderly care sector participated and jointly explored market trends and development opportunities in the elderly care industry.

Digital Finance

The Bank remained committed to technological empowerment and data-driven development. Focusing on key areas and core capability building, it formulated and implemented the *Action Plan for Digital Finance of Bank of China*, continued to deepen the integration of business, data and technology, and boosted the high-quality development of digital finance across the Group.

Comprehensively strengthening the foundation of digital finance. Leveraging the foundational role of digital finance, the Bank addressed bottlenecks and constraints in serving the "five major tasks" of promoting technology finance, green finance, inclusive finance, pension finance and digital finance and new quality productive forces, and strengthened business development through advanced digital technologies and data resources. It developed and promoted "Quantum 1650" and enhanced the profiling and evaluation system for technology enterprises to improve services for such enterprises and customers across industrial chains, empowering the high-quality development of financial technology. It continued to optimise its green finance management system and bolster technology empowerment for green finance. The Bank also optimised the mobile operating platform for its personal inclusive finance services, enhanced its online and mobile processing capabilities, promoted its "Digital and Intelligent Inclusive Finance" customer acquisition platform, and improved its unified operating platform and internal management platform for inclusive finance, thereby strengthening its digital and intelligent capabilities in inclusive finance. In addition, it launched functions including automatic contributions to personal pension accounts and enriched the services available in the pension finance section of its personal mobile banking app. The Bank advanced the development of BOC AI DocuAssist, accelerating across the board the digital and intelligent transformation of documentary business.

Rapidly improving the quality and efficiency of financial services. The Bank continued to optimise its payroll agency service system and introduced multiple service models, including integrated payroll services. It advanced the optimisation and upgrading of its corporate online banking channels and introduced functions including digital confirmation services for group customers and accessibility to Cross-Border Inward Remittance Notification. It accelerated the construction of the corporate WeChat customer contact system to establish a new channel for customer service operations, increased the application and promotion of AI in the field of corporate finance, and developed various intelligent assistants, helping improve the quality and efficiency of corporate banking services. The Bank stepped up digital support for personal banking services and continued to upgrade its marketing components. The number of monthly active mobile banking users reached 104.28 million, an increase of 6.86% year-on-year. The Bank maintained a market-leading position in the cumulative value of e-CNY consumption transactions. The market competitiveness of personal wallets (Category 2 and above) across the Bank continued to improve, and the value of mBridge-related transactions ranked first among peers.

Supporting the national strategy of high-standard opening-up. The Bank enriched the functions of its indirectly connected foreign exchange products for cross-border e-commerce, with the total value of cross-border e-commerce transactions increasing by 24% year-on-year in the first half of 2026. It consolidated the strengths of its global clearing systems, with the number of local clearing systems directly accessed by the Group's overseas institutions reaching 98. The Bank upgraded its global service platform for corporate banking customers and refined its service mechanism of "accessing the Bank's global resources and services at any point of contact", enhancing the capability of global integrated collaborative services.

Continuously unlocking the value of data resources. Focusing on data collection, storage, development, application and governance, the Bank formulated a unified Bank-wide data architecture. It completed the development of "Zhi Lan" 1.0, effectively covering key operating indicators and enabling real-time visualisation of key information such as deposit and loan balances. It also accelerated the automation of overseas regulatory reporting. By streamlining mechanisms and providing robust technological support, the Bank effectively lowered barriers to data application, thereby further reducing workloads and empowering primary-level institutions.

Commercial Banking in the Chinese Mainland

The Bank actively fulfilled its responsibilities as a major bank, effectively implemented national macro policies, strived to play the leading role in serving the real economy, and achieved its own steady development. In the first half of 2026, the Group's commercial banking business in the Chinese mainland recorded an operating income of RMB272.913 billion, an increase of RMB28.148 billion or 11.50% compared with the same period of the prior year. Details are set forth below:

Unit: RMB million, except percentages

	For the six-month period ended 30 June 2026		For the six-month period ended 30 June 2025	
Items	**Amount**	**% of total**	Amount	% of total
Corporate banking business	**113,954**	**41.76%**	99,951	40.84%
Personal banking business	**125,947**	**46.15%**	116,663	47.66%
Treasury operations	**33,114**	**12.13%**	27,785	11.35%
Others and elimination	**(102)**	**(0.04%)**	366	0.15%
Total	**272,913**	**100.00%**	244,765	100.00%

Corporate Banking

Centring on the needs of the real economy, the Bank continuously advanced the high-quality development of its corporate banking business. It actively served the building of a modern industrial system and stepped up credit support to major national strategies, key areas and weak links of the economy. It better served the establishment of industrial systems for the "five major tasks" of promoting technology finance, green finance, inclusive finance, pension finance and digital finance, advanced manufacturing and the digital economy, and promoted the region-specific development of new quality productive forces. Leveraging its financial strengths, the Bank supported coordinated regional development in areas such as the Beijing-Tianjin-Hebei region, the Yangtze River Delta, the Guangdong-Hong Kong-Macao Greater Bay Area (GBA), the Yangtze River Economic Belt and the Yellow River Basin, assisting the implementation of national strategies. It developed a marketing mechanism covering the entire product line for corporate banking customers, improving its responsiveness to customer demand for financial products. The Bank strengthened integrated financial services for key customer groups, including central and state-owned enterprises, mid-sized corporate credit customers and technology enterprises, while expanding service coverage for inclusive finance customers and corporate customers without existing borrowings. Leveraging its quality and efficiency enhancement initiative for corporate customers, it promoted customer acquisition with a focus on both scale and quality. As at the end of June, the total number of corporate customers increased by 7.54% from the previous year-end, and business activity and customer loyalty among key customer groups improved steadily. In the first half of the year, the Bank's corporate banking business in the Chinese mainland recorded an operating income of RMB113.954 billion.

Corporate Deposits

Adhering to the principle of coordinated development in volume and pricing, the Bank continued to promote the high-quality development of its corporate deposit business. Upholding its customer-centric philosophy, it continued to enhance its integrated financial service capabilities, strengthened the development of key business scenarios, and promoted the ecosystem-based marketing and integrated application of settlement products. These efforts consolidated its customer base, increased customer loyalty, boosted growth in low-cost demand deposits and enhanced customers' deposit contributions. The Bank also optimised its business structure, achieving balanced growth in both the scale and quality of corporate deposits. It gave full play to the strategic, systematic and leading positioning of its administrative institution business. In light of more proactive fiscal policies, it focused on the core concerns of government entities and enhanced its integrated financial service capabilities. As at 30 June 2026, RMB corporate deposits of the Bank's commercial banking business in the Chinese mainland totalled RMB9,259.835 billion, an increase of RMB115.872 billion or 1.27% from the prior year-end. Foreign currency corporate deposits amounted to USD127.675 billion, an increase of USD14.788 billion or 13.10% from the prior year-end.

Corporate Loans

The Bank closely tracked customer financing needs, increased credit supply to major national strategies, key areas and weak links with a focus on the 109 major projects under the 15th Five-Year Plan, development of the "six networks" (water networks, next-generation power grids, computing power networks, next-generation communication networks, urban underground pipeline networks, and logistics networks), and projects under the "Two Major" (major national strategies and security capacity in key areas), etc., effectively improving the quality and efficiency of its service to the real economy. It supported the nation's high-level self-reliance and strength in science and technology, and increased credit supply to strategic emerging industries to assist in the building of a modern industrial system. The Bank improved its green credit products and services with a focus on key sectors including energy conservation, carbon reduction, clean energy, and green transportation, and developed the BOC Green Finance brand, thereby contributing to sustainable social and economic development. It supported the strategy of expanding domestic demand, optimised financial services for the manufacturing sector and private enterprises, accelerated the development of scenario ecosystems, achieved breakthroughs in online products, and helped to deepen supply-side structural reform. It served the rural revitalisation strategy, supported the development of modern agriculture, and consolidated and expanded poverty alleviation achievements. The Bank supported coordinated regional development and increased credit support for key industries according to local conditions, thereby injecting financial momentum into the building of a regional economic landscape characterised by complementary advantages and high-quality development. Seizing the strategic opportunities of high-quality development in the domestic M&A market and leveraging the advantages of its integrated commercial and investment banking structure, it comprehensively served customers' needs across the entire chain of M&A transactions, helped enterprises with strategic reorganisation and industrial integration, supported technology companies in rapidly enhancing their overall competitiveness through mergers and acquisitions, and executed a number of landmark projects with market influence. As at the end of June, RMB corporate loans of the Bank's commercial banking business in the Chinese mainland amounted to RMB15,176.777 billion, an increase of RMB1,205.621 billion or 8.63% from the prior year-end, while foreign currency corporate loans stood at USD33.298 billion. Corporate green loans, loans to private enterprises, and loans to the manufacturing industry increased by 14%, 9% and 12%, respectively, compared with the prior year-end.

Investment Banking Business

Giving full play to the advantages arising from its globalised and comprehensive operations, the Bank provided customers with diversified financial products and all-round financial service plans including bond underwriting and distribution, asset-backed securitisation, equity investment, and public REITs. Through its professional services, it assisted in the development of multi-level domestic capital markets while meeting customers' direct financing needs. The Bank ranked among the top in the CIBM in terms of bond underwriting volume, and ranked first in the market in terms of placement volume of credit bonds registered with the National Association of Financial Market Institutional Investors (NAFMII). Steadfastly promoting the development of green finance, the Bank led the market in green bond underwriting. Focusing on technological innovation and bolstering the development of new quality productive forces, the Bank served numerous technology-oriented enterprises and equity investment institutions in their access to direct financing via the bond market. It revitalised existing assets, securing bids for multiple projects, and achieving a breakthrough in public REITs business. Its underwriting volume of asset-backed securitisation business led among peers.

Financial Institutions Business

Leveraging its global and integrated business platform, the Bank provided comprehensive and high-quality financial services to financial institutional clients around the world. It deepened comprehensive cooperation with various types of financial institutions. The Bank maintained correspondent relationships with over 1,500 domestic and overseas institutions around the world and opened 1,670 cross-border RMB clearing accounts for correspondent banks from 121 countries and regions, establishing itself as a leader among Chinese banks. The Bank promoted the RMB Cross-Border Interbank Payment System (CIPS) and forged indirect participant partnerships with approximately 800 domestic and overseas financial institutions. The Bank ranked first in terms of bond custody volume of overseas institutions clients in the China Interbank Bond Market (CIBM). The Bank's custodian service for Qualified Foreign Investors (QFI) and its agency service for overseas central banks and other sovereign institutions in the CIBM led the industry in terms of both customer base and business scale. As part of the backdrop of the launch of Southbound Bond Connect for insurance capital, the Bank provided bond custody services to pilot insurance institutions under the scheme, facilitating efficient connectivity between the Chinese mainland and Hong Kong markets. It established multi-level partnerships with sovereign institutions and international multilateral financial institutions. The Bank assisted the Asian Infrastructure Investment Bank, New Development Bank, Asian Development Bank, the governments of Slovenia, Pakistan and Indonesia, and Kazakhstan's Samruk-Kazyna sovereign wealth fund in issuing Panda bonds. The Bank also facilitated multiple sovereign institutions' access to the CIBM via its settlement agency services.

Transaction Banking

The Bank actively supported high-level opening-up and continued to step up its service to the real economy. Focusing on key links including account services, settlement services, cash management and financing, it improved its full-chain transaction banking product and service system. The quality and efficiency of cross-border and domestic business services improved in a balanced manner, service coverage and business scale maintained steady progress, and important breakthroughs were achieved in digital innovation. It upgraded account service efficiency and continuously optimised the corporate account opening process in the Chinese mainland. The Bank completed the paperless transformation of integrated corporate RMB and foreign currency account opening transactions and promoted the centralised account opening model. The number of entities served continued to grow, with the number of RMB corporate bank settlement accounts exceeding 11 million. The Bank further expanded its coverage of micro, small and medium-sized enterprises and deepened its service to the real economy. It consolidated advantages in cross-border settlement and intelligent innovation continued to deepen. The Bank launched innovative services such as Cross-Border Inward Remittance Notification, enabling end-to-end visibility of inbound cross-border remittances and steadily improving service quality and efficiency. It accelerated adaptation to new forms of international trade, continued to improve its integrated global service network for cross-border e-commerce settlement, steadily increased coverage of leading platforms and achieved rapid business growth. Customer coverage continued to expand, with the number of cross-border settlement customers served increasing steadily. In the first half of 2026, the international settlement volume and cross-border RMB settlement volume of the Bank's domestic branches reached USD2.61 trillion and RMB11 trillion, up 23% and 29% year-on-year, respectively, maintaining the top market position. Its cash management service reached all over the world. The Bank focused on resolving pain points in fund mobilisation, achieving unified cross-border transfer paths, independently controllable payment channels and round-the-clock service support, thereby creating an integrated cash management service system tailored to enterprises across domestic, cross-border and overseas scenarios. It continued to strengthen technological empowerment by optimising system functions such as fund pooling and proactive fund transfers as well as bank-enterprise direct connectivity channels. Seizing the opportunities arising from the nationwide promotion of integrated domestic and foreign currency cash pooling for multinational corporations, the Bank maintained a market-leading position in business scale. It continued to increase financing support and provided enterprises with comprehensive supply-chain trade finance services covering products such as bills, letters of credit and electronic receivables certificates. In the first half of the year, the transaction volume of supply-chain trade finance increased by approximately 20% year-on-year. For the domestic bills business, the Bank placed equal emphasis on product innovation and ecosystem development and continuously improved the full-lifecycle management system. The balances of acceptance and discounted bills both exceeded RMB1 trillion.

Personal Banking

Adhering to a customer-centric approach, the Bank made every effort to support people's wellbeing and accelerated the high-quality development of personal financial services. As at the end of June, the Bank's domestic commercial banking business served approximately 560 million personal customers, an increase of 1.10% compared with the prior year-end. In the first half of 2026, the Bank's personal banking business in the Chinese mainland realised an operating income of RMB125.947 billion.

Account Management Business

The Bank is committed to offering inclusive and high-quality account management services. It accelerated the optimisation of basic customer service processes and completed the paperless transformation of frequent over-the-counter services such as account opening, account information adjustment, account closure, fund transfers and remittances, and cash deposits and withdrawals, thereby making customer services more convenient. The Bank strengthened its personal pension business and comprehensively upgraded its one-stop comprehensive pension scheme, covering pension account opening, pension contribution, asset management and online receiving. As at the end of June, cumulative contributions made by customers with personal pension fund accounts exceeded RMB10 billion, with multiple services ranking among the top in the industry in terms of quality. The Bank continued to optimise its account opening witness services and launched the "BOC Account Opening Witness" service, which enabled overseas accounts opening through witnessing in the Chinese mainland, with less processing time and better service experience for customers studying abroad. It continued to promote its Chinese mainland personal account opening witness service in Hong Kong and Macao (known as the "Greater Bay Area Account Opening" service). As at the end of June, the Bank had opened around 450 thousand accounts via its "Greater Bay Area Account Opening" service, an increase of 1.99% compared with the prior year-end. The Bank also launched its Global Account Service, enabling customers to view their account assets in the Chinese mainland and Hong Kong through a single online interface, with applications initiated through one platform and account information visible at both ends. The cumulative number of active customers enrolled in the service continued to increase. In addition, the Bank actively continued to reduce fees and make profit concessions, waiving personal debit card annual fees and management fees for petty accounts.

Wealth Management Business

Fully adhering to the principles of openness and mutual benefit, the Bank robustly promoted the high-quality development of its wealth management services. It continually enhanced its product selection and management capability in pursuit of a "market-wide + Group-wide" product shelf. It carried out monitoring and evaluation, dynamic optimisation and differentiated allocation based on market conditions. As at the end of June, the Bank distributed 2,547 personal wealth management products and 5,335 public mutual fund products, meeting customer demand for wealth management across asset classes, strategies and regions. It steadily expanded its network of selected partner institutions and cooperated with 22 wealth management companies and 95 fund management companies, maintaining a market-leading position. To address customers' demand for prudent asset allocation, it developed the "Huitou Plan" brand for lower-risk publicly-offered mutual fund products, precisely characterised the risk-return positioning of its products, and improved customers' investment experience within a low-interest-rate environment. The Bank launched the market's first JPY-denominated wealth management product, maintaining market leadership in the diversity of personal foreign currency wealth management products and holding a leading competitive position in the market in terms of related outstanding balances. It strengthened its professional asset allocation capabilities by applying asset allocation models and providing recommendations based on customers' risk preferences and market conditions so as to meet their multi-dimensional requirements for liquidity, profitability and capital preservation. It enhanced its whole-process customer service capabilities and continuously optimised "BOC Investment Strategy", a global investment strategy information service system covering major asset categories across different time horizons. It expanded its "Fortune" mobile banking community, providing customers with more comprehensive market information and investor education content. As at the end of June, 44 partner financial institutions had joined the "Fortune" community, covering funds, insurance, securities and wealth management firms, among others. The Bank continued to optimise the end-to-end transaction and portfolio experience for its mobile banking wealth management services. It extended the transaction hours for some wealth management products, enabling round-the-clock trading on business days. It also introduced online ordering and direct home delivery services for investment-grade gold bullion bars. It continuously enhanced the selection and display of wealth management products on the Bank's mobile banking platform to enhance customer convenience. As at the end of June, the total financial assets under management of the Group's personal customers exceeded RMB18 trillion, with a steady expansion of the medium – and high-end customers base and related assets under management. The balance of domestic distributed personal wealth management products amounted to RMB1.51 trillion, and the total volume of distributed publicly offered mutual fund products amounted to RMB439.082 billion. In the first half of 2026, the sales volume of publicly offered mutual funds distributed by the Bank in the Chinese mainland amounted to RMB273.446 billion, distributed personal insurance premiums amounted to RMB26.470 billion, and the sales volume of physical precious metals amounted to RMB75.930 billion. The Bank has established 8,459 wealth management centres and 1,397 prestigious wealth management centres in the Chinese mainland.

Consumer Finance Business

Closely focusing on residents' consumption needs, the Bank intensified efforts to improve its consumer finance services. It effectively implemented the fiscal interest subsidy policy for personal consumer loans through targeted measures and precise execution, ensuring that the policy benefits reached a broad range of consumers, and continued to support the boosting of consumption and the expansion of domestic demand. The Bank fully implemented national strategies and plans and continued to increase the provision of housing loans, supporting efforts to stabilise the real estate market. As at the end of June, RMB personal loans of the Bank's commercial banking business in the Chinese mainland amounted to RMB6,017.625 billion.

Private Banking Business

The Bank continued to develop globalised, comprehensive and customised private banking services. It integrated the Group's domestic and overseas research capabilities and continued to provide professional insights through "BOC Investment Strategy", as well as publishing the *2026 Report on Global Asset Allocation Strategy by Private Banking Bank of China* and the *2026 Report on Wealth Management for China's High-Net-Worth Individuals*. The Bank optimised its market-wide, Group-wide and comprehensive private banking product distribution and provided customers with customised asset allocation proposals. It advanced the digital transformation of wealth succession services and completed a range of trust arrangements, including equity trusts, special needs trusts and charitable trusts. It enhanced its "Entrepreneur Office" service and organised a series of "GBIC" (Government, Business, Investment, and Consumption) activities, providing entrepreneurs with integrated solutions across three key scenarios: technology innovation incubation, listing services and overseas expansion support. The Bank further advanced the development of globally integrated services, enhanced its global account functions and strengthened its global asset allocation capabilities. For the 12th consecutive year, it carried out the "BOC Private Select – Charity Platform – Spring Bud Project" and organised science and technology educational programmes for students participating in the Spring Bud Project. Its "Eternal Flame" initiative for the protection and preservation of intangible cultural heritage received public recognition.

Personal Foreign Exchange Business

The Bank actively supported high-standard opening-up and advanced the development of a professional personal foreign exchange service system. It promoted service innovation by optimising its account opening witness and foreign currency cash reservation services, and became the first bank in the Chinese mainland to launch a new-generation cross-border remittance product "BOC Instant Remittance". It also continued to develop and manage a convenient service network comprising authorised foreign currency exchange counters and foreign currency exchange machines. The Bank strengthened customer segment development. Focusing on specific customer groups such as overseas students and travellers, it refined customer management and enhanced the customer experience through key services including cross-border remittances, Zhuojun Credit Card, Cross-Border Debit Card, and foreign currency cash services. As at the end of June, the Bank led its domestic peers in the transaction volume of personal foreign currency exchange against RMB as well as foreign currency personal deposits.

Bank Card Business

In alignment with customers' comprehensive needs, the Bank steadily improved card functionality and user experience to lay a solid foundation for the development of its bank card services.

Enhancing service capabilities of debit card services to support people's wellbeing. The Bank further enhanced its social security card service capabilities through "all-in-one card" functional upgrades and expanded their use in scenarios such as campus services and everyday consumption. As at the end of June, the Bank had issued a total of more than 130 million physical social security cards. It actively supported the country's rural revitalisation strategy and promoted rural revitalisation-themed debit cards, with a total of 10.5446 million cards issued. The Bank continued to upgrade its digital service capabilities and developed a smooth and convenient debit card linking and quick payment experience. To enhance the brand recognition of its quick payment services, it continued to develop the innovative "BOC Travel Benefits" quick payment brand. During peak consumption periods such as New Year's Day, the Chinese New Year and the May Day holiday, it offered payment promotions covering travel scenarios including flights and hotels, dining, and tourist attraction tickets, covering more than 30 provinces, 100 cities and 700 distinctive commercial districts nationwide. In the first half of 2026, the transaction volume of quick payments via debit cards exceeded RMB4 trillion. As at the end of June, the cumulative number of debit cards issued exceeded 750.5001 million.

Refining systems for product benefits and services, fostering diversified consumption scenarios, and enhancing the overall quality and efficiency of credit card services. Focusing on key customer groups, for its medium to high-end customers, the Bank continued to improve the tiered benefits offering of medium to high-end products through an approach based on tiered product positioning and integrated benefits, while for younger customers, it launched the specialised credit card to enhance customer loyalty and service experience. Supporting the national initiative to boost consumption, the Bank facilitated the implementation of government-subsidised trade-in programmes. Under the "BOC Benefits" theme, it launched a series of activities covering culture and tourism, hotels and supermarkets. Seizing the opportunities arising from peak consumption periods such as the Chinese New Year and the May Day holiday, the Bank worked with major payment institutions and card networks to offer promotions including instant discounts on qualified credit card payments and gifts for meeting consumption thresholds. It also conducted ongoing marketing and promotional activities through internal and external channels as well as online and offline channels to meet customers' diverse consumption needs. In line with its commitment to serving the real economy, the Bank deepened headquarter-to-headquarter cooperation with NEV manufacturers on instalment financing and optimised service processes to improve customers' experience, thereby stimulating the potential consumption. The Bank also strengthened cooperation with top internet e-commerce platforms and launched exclusive instalment offers covering high-quality product categories such as mobile phones and household appliances, thereby supporting consumption recovery and growth. As at the end of June, the Bank had issued a cumulative total of 151.8578 million credit cards. In the first half of 2026, the total consumption volume of credit cards stood at RMB535.256 billion.

Payment Merchant Business

Addressing key customer groups and focusing on key business scenarios, the Bank constantly enhanced its payment service capabilities. It continued to provide RMB "petty cash pack" exchange services. As at the end of June, a cumulative total of over 7 million "petty cash packs" had been distributed. The Bank also strengthened payment services for overseas visitors to China. In response to overseas visitors' payment needs for dining, accommodation, transportation and tourism, it continuously expanded its merchant network, maintained a leading market position in the foreign-card acquiring business and achieved 100% coverage of key merchants designated by the PBOC. Capitalising on the inclusion of e-CNY balances in interest-bearing accounting, it actively supported the development of the e-CNY ecosystem. It also facilitated the digitalisation of tax services, with tax payments settled via e-CNY amounting to RMB11.201 billion in the first half of 2026. The Bank continued to expand e-CNY consumption scenarios, recording 31.4786 million e-CNY consumption transactions with a total transaction value of RMB10.828 billion in the first half of 2026, maintaining a leading market position. As at the end of June, the net increase in the number of the Bank's Class II and above personal e-CNY wallets and corporate master wallets reached 4.4659 million, an increase of 17.46% compared to the prior year-end. The Bank improved the payment experience for foreign visitors to China, steadily enhanced the acceptance environment for foreign cards, and continued to expand merchant coverage. In the first half of 2026, the transaction volume of foreign cards increased by 64.35% year-on-year.

Financial Markets Business

The Bank actively responded to market changes, leveraged its unique advantages in the financial markets business, supported the real economy and high-standard opening-up, strove to ensure prudent and compliant operations and continually adjusted its business structure, thus promoting the high-quality development of its financial markets business.

Investment Business

The Bank constantly strengthened its professional forecast and analysis of macroeconomic and financial market trends, dynamically optimised its portfolio structure and effectively balanced market risks and investment opportunities. It supported the development of the real economy, increased RMB portfolio investments in key areas such as government bonds, local government bonds, sci-tech innovation bonds, green bonds and corporate bonds, retained its position as a leading investor in green debt financing instruments, steadily increased its investment in sci-tech innovation bonds, and actively participated in the offshore RMB bond market. It also strengthened the active management and diversified investment in its foreign currency portfolios, actively invested in overseas bonds issued by major Chinese enterprises and Chinese sovereign bonds, grasped market rhythm, continuously optimised its portfolio holdings and exposure allocation, balanced risk and return, and achieved steady growth in both portfolio size and investment income.

Trading Business

The Bank constantly optimised its financial markets service system, while focusing on improving its comprehensive customer service capabilities.

Sustainably consolidating its leading market position. Enhancing its service capabilities in emerging market currencies, the Bank launched foreign currency exchange against RMB for the Romanian leu, Zambian kwacha and Mauritian rupee, bringing the total number of quoted foreign currencies against RMB to 45. It also introduced foreign exchange forward and swap quotations for the Mexican peso and South African rand, executed its first forward foreign exchange hedging transaction in Indonesian rupiah, and expanded the number of currencies for which the Group can provide foreign exchange risk management services to 93. Through these initiatives, the Bank led the domestic market in terms of the transaction volume of foreign currency exchange against RMB and RMB foreign exchange derivatives. The Bank actively advocated the concept of foreign exchange risk neutrality, used a comprehensive range of financial market trading tools to help enterprises manage market volatility, and significantly expanded foreign exchange hedging services for micro, small and medium-sized enterprises, resulting in rapid growth in the number of financial markets trading customers. By continuously improving the functions of its electronic channels, the Bank enabled the full digitalisation of its hedging business processes and further improved the quality and efficiency of customer hedging services. The Bank also continued to implement the PBOC's new monetary policy instruments by actively conducting bond repurchase transactions under the Securities, Funds and Insurance Companies Swap Facility (SFISF), thereby providing high-quality liquidity to the market. In addition, it continuously enriched its quantitative trading strategies and developed a quantitative pricing engine to further enhance its market-making capabilities.

Serving the high-level opening up of financial markets. As one of the first domestic pilot banks authorised to conduct offshore RMB foreign exchange trading, the Bank launched offshore RMB market-making services on the China Foreign Exchange Trade System (CFETS) platform. It actively expanded the domestic and overseas counterparties in the interbank market, continuously enhanced services for overseas institutional investors, maintained the largest market share in bond custody services for overseas institutions, retained its leading position in Swap Connect counterparty coverage, expanded its bond repurchase business with overseas institutional investors, and achieved full coverage of sovereign counterparties conducting repurchase transactions in the interbank market. To promote the international use of RMB, the Bank further enriched its products and services. It completed multiple landmark hedging transactions supporting Panda bonds issued by overseas sovereign institutions, international multilateral development institutions and foreign banks. It was also among the first banks to incorporate offshore Chinese government bonds as eligible collateral for initial margin under International Swaps and Derivatives Association (ISDA) Initial Margin documentation with overseas financial institutions.

Constructing a solid line of defence against risks. The Bank strengthened its forward-looking, proactive and professional forecasting and analysis of financial markets and responded swiftly and effectively to market volatility arising from occurrences such as escalating tensions in the Middle East and shifts in monetary policies. It further strengthened the construction of the infrastructures underpinning financial market business, continuously deepened the application of risk mitigation tools such as master agreements and collateral for financial market transactions, reduced counterparty credit risk exposure, and executed one of the market's first margin agreements under China's uncleared margin rule. As a result, transactions were executed in a compliant manner, and risk management capabilities were constantly improved.

Asset Management Business

The Bank actively seized opportunities and accelerated the dual-drive development of asset management and wealth management businesses to enhance the value creation capabilities and market competitiveness of its asset management business. It carried out asset management business in coordination with BOC Wealth Management, BOCIM, BOCI China, BOC Asset Investment, BOCHK Asset Management and BOCI-Prudential Asset Management Limited. Remaining customer-centred and responding to market trends and policy opportunities, the Bank continued to enrich its asset management product lines and increased the supply of specialised asset management products in areas such as foreign currency, pension, cross-border, green finance, inclusive finance, and overseas markets, effectively serving customers' diverse asset management needs. As at the end of June, the scale of the Group's asset management business reached RMB3.64 trillion. The Bank also leveraged the advantages of licences of its comprehensive operation companies to enhance the quality and efficiency of financial services for the real economy, while continuing to increase investment support for areas such as technology innovation, green finance and inclusive finance.

Custody Business

The Bank supported the high-quality development of the financial sector through high-quality custody services and continuously enhanced the overall competitiveness and global development capabilities of its custody business. It strengthened its coordinated service capabilities and continued to deepen the asset management ecosystem centred on banking-fund cooperation. Both the number and the size of newly established publicly offered funds for which the Bank acted as custodian remained in the industry's leading tier, while the number of publicly offered real estate investment trust (REITs) products under its custody ranked among the highest in the market. The Bank actively supported pension finance, securing mandates for the custody of a number of large corporate annuity schemes. Pension funds under its custody grew by more than 10%, and pension wealth management assets under its custody reached approximately RMB40.0 billion, maintaining a leading market position. The Bank also supported the development of technology finance by providing custody services for technology-focused private equity investment funds, technology-focused publicly offered securities investment funds and sci-tech innovation asset-backed securities, among other products. Custody operations consistently conformed to the fundamental requirements of security and compliance, with no material risk events reported. As at the end of June, the Group's total assets under custody amounted to RMB26.75 trillion, representing an increase of 10.27% from the beginning of the year. Its market competitiveness continued to improve at a faster pace than major peers.

Village Bank

BOC Fullerton Community Bank actively implemented China's rural revitalisation strategy and adhered to the development concept of "focusing on county area development, supporting farmers and small-sized enterprises, and growing together with communities". It continued to improve its product and service systems and remained committed to providing modern financial services to rural customers, county-level micro and small-sized enterprises, individual merchants and wage earners. As at the end of June, BOC Fullerton Community Bank served 5.3080 million customers and further deepened its functions of supporting agriculture and small-and-micro enterprises, making every effort to serve rural revitalisation. The balances of total deposits and loans of these banks stood at RMB84.697 billion and RMB90.490 billion respectively, the NPL ratio was 1.87%, and the coverage ratio of allowance for loan impairment losses to NPLs was 174.26%.

Globalised Operation

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

Realising steady and orderly development in its globalised businesses and constantly improving its ability to create value. The overseas cross-border business model continued to be optimised, aligning with the full lifecycle needs of enterprises' cross-border operations. The Bank continually enhanced its cross-border financial product and service system to provide clients with comprehensive financial services that covered basic cross-border settlement as well as high-value-added offerings such as multi-currency global cash pooling, premium financing, bond underwriting and distribution, and global asset custody. As at the end of June, the Bank's overseas commercial banking business recorded customer deposits of USD670.228 billion, an increase of 2.14% compared with the prior year-end, and had issued loans and advances to customers of USD469.274 billion, an increase of 5.83% compared with the prior year-end. In the first half of 2026, the Bank's overseas commercial banking business achieved a profit before income tax of USD5.733 billion, an increase of 2.65% compared with the same period of the prior year.

Continuing to optimise its network and further enhancing its global service capabilities. The Bank promoted cross-border business, trade and economic exchange, and provided premier financial services for high-quality "Bringing In" and high-level "Going Global" initiatives. By fully leveraging its global network, the Bank supported national strategies and high-standard opening-up. It also served as chair of more overseas chambers and associations of Chinese enterprises than any other financial institution. As at the end of June, the Bank had 532 overseas institutions covering 64 countries and regions outside the Chinese mainland, including 45 Belt and Road partner countries. It is the only Chinese bank that covered all 21 APEC economies.

Strengthening top-level design for global development and forging synergies to drive the coordinated development of its institutions. The Bank formulated its plan for enhancing its global development capabilities and international competitiveness during the 15th Five-Year Plan period, with a vision of strengthening the Group's overall competitiveness through globalised high-quality development. It enhanced the operating quality and efficiency of institutions in key regions, intensified the refined management of its institutions, and effectively improved the market competitiveness of its overseas institutions. The Bank also continued to improve its regional and intensive development mechanism for overseas operations, optimised the management model for overseas regional headquarters, enhanced collaboration between domestic and overseas institutions, and enhanced overall synergies.

Corporate Banking

The Bank leveraged its service mechanism of "accessing the Bank's global resources and services at any point of contact", pooled its domestic and overseas strengths, engaged deeply in developing overseas markets and promoted the high-quality growth of its overseas corporate banking business.

Proactively serving China's high-standard opening up by striving to be the pacesetter for two-way trade and investment. The Bank delivered comprehensive services for Chinese "going global" enterprises and gave full play to its role as a mainstay in cross-border finance. The Bank continuously improved its integrated service ecosystem covering the full-cycle and full-chain needs of Chinese enterprises' overseas operations. Leveraging platforms and mechanisms such as overseas China chambers of commerce and industry associations, the Bank coordinated its overseas branches to support the development of national comprehensive overseas service system. The Bank also provided high-quality support for foreign-invested enterprises operating in China, strongly supported key domestic investment projects and reinvestment projects by foreign-invested enterprises in China. The Bank offered foreign-invested enterprises and their projects comprehensive financial services including loans, panda bonds, cash management, supply-chain financing and payroll services. Boasting globally leading service capabilities and competitiveness among Chinese banks, the Bank stood as the most trusted partner for foreign-invested enterprises to invest and operate in China. The Bank also enhanced cross-border services in its investment banking business, and served as lead underwriter for 58 Panda bonds with a total issuance amount of RMB116.6 billion. It promoted the development of green finance, with its overseas green bond underwriting ranking among the top tier of Chinese institutions. Through structured finance products, the Bank supported Chinese enterprises in overseas investment projects, export and international engineering contracting. In collaboration with international multilateral organisations and other banks, it provided financing support for global infrastructure projects as well as shipping and aviation finance for both Chinese and international enterprises.

Continuing to consolidate its position as the primary channel for cross-border financial services, with stable growth in international settlement volume handled by its overseas institutions. In the first half of 2026, the international settlement volume and cross-border RMB settlement volume handled by the Bank's overseas institutions reached USD3.02 trillion and RMB14.83 trillion, respectively, a year-on-year increase of 22.75% and 8.65%. The Bank further consolidated its strengths in global cash management by pioneering the first 24/7 global cash pooling service among Chinese banks, continuously enhancing its core capabilities in security and controllability, real-time settlement, 24/7 round-the-clock accessibility and multi-currency liquidity management, and reducing settlement times to a matter of seconds. The Bank supported the hosting of multilateral and bilateral economic and trade events and actively participated in and supported the UK-China Business Forum, APEC China CEO Forum, and "Export to China" event series. The Bank continued to leverage its professional strengths, maintaining a leading domestic position in terms of the number of its experts serving in international organisations such as the ICC, and continued to contribute insights and recommendations in specialised areas including digital trade.

Capitalising on advantages arising from its global institution network to steadily boost its international influence. The Bank fostered comprehensive cooperation with various types of financial institutions in areas such as clearing, settlement, lending, investment, custody, financial market operations and comprehensive capital market services. As a result, it further expanded its customer base. Moreover, the Bank made full use of its global partnership network, drew on advanced overseas expertise and deepened peer communication and cooperation mechanisms to continually strengthen its participation in ESG-related fields worldwide. The Bank responded in a more agile and forward-looking manner to market fluctuations, provided market advice to overseas institutional customers and promoted the investment value of RMB to medium and long-term investors around the world, resulting in steady growth in its overseas institutional investor customer base.

Personal Banking

The Bank continued to leverage its advantages in global operations and steadily improved its overseas personal banking products and services, providing customers with account management, savings, payment and settlement, and electronic banking. It provided wealth management and private banking services in countries and regions such as Hong Kong (China), Macao (China) and Singapore. As at the end of June, the Bank had established an overseas personal banking presence in over 30 countries and regions, serving over 8.50 million customers. Its customer base continued to expand steadily, and its service capabilities continued to improve.

Providing high-quality debit card, loan and wealth management services. The Bank actively expanded its overseas debit card business and offered a diverse range of debit card products, with clearing channels covering major international card networks and serving 20 countries and regions overseas. It constantly improved its Cross-boundary Wealth Management Connect services. As at the end of June, the Bank had 71.6 thousand subscribers under the Northbound and Southbound schemes of Cross-boundary Wealth Management Connect, maintaining a market-leading position. The Bank continually improved refined management capabilities, and promoted differentiated development of overseas personal loan business.

Consolidating the advantages of its cross-border credit card payment brands and optimising comprehensive cross-border financial services. The Bank launched Apple Pay services for its Visa and Mastercard cards, providing convenient financial services for cardholders traveling overseas. The Bank developed the dedicated "BOC Benefits for Overseas Study" service brand, providing international students with convenient cross-border financial services and overseas payment benefits throughout their journey before, during and after studying abroad. Highlighting its cross-border business strengths, the Bank expanded its marketing campaigns beyond key products and specific customer segments to include scenarios such as flight and hotel bookings, Apple Pay card binding and offline merchants, thereby further enriching its campaign portfolio. It also deepened cooperation with card networks, enhanced customers' overseas card-use experience and strengthened the refined management of cross-border customer segments. Leveraging its extensive experience in providing foreign card services for international sporting events and exhibitions, the Bank successfully ensured payment services during the 139th China Import and Export Fair and the 2026 Yangzhou Half Marathon, contributing to high-standard opening-up.

Vigorously promoting the development of the Departure Tax Refund. The Bank's Departure Tax Refund agency services covered 25 provincial-level administrative regions, maintaining a leading position among peers. In Shenzhen, it launched one of China's first self-service Departure Tax Refund terminals supporting multiple tax refund options, reducing the processing time for each transaction to less than three minutes. In the first half of 2026, both the amount and the number of Departure Tax Refund transactions handled by the Bank for overseas visitors grew at a rapid pace.

Maintaining a leading position in cross-border e-CNY business. The Bank continued to rank among the top domestic peers in both the volume and value of mBridge transactions. As at the end of June, the cumulative value of the Bank's mBridge transactions exceeded RMB600.0 billion. The first cross-border mBridge transaction in Macao was completed, marking the official launch of mBridge business in Macao. The Bank became a direct participant in the Cross-border e-CNY Transfer Services (CBETS) platform and completed the first batch of cross-border retail transactions, facilitating the efficient cross-border flow of funds.

Constantly improving online service channels. In the first half of 2026, it accelerated the rollout of services including online form pre-filling, online direct RMB payroll remittance and app push notifications across key countries and regions. It introduced online account opening for Vietnamese residents, as well as NAPAS instant remittance services to other banks, launched e-wallet QR code payment services in Thailand, expanded local bill payment institutions in Singapore, and completed enhancements to the Philippines' AFASA anti-fraud programme. These initiatives enriched its service functions, improved the customer experience, and enhanced its digital service capabilities. As at the end of June, the BOC Mobile Banking app (International Version) was available in 31 countries and regions and provided services in 12 languages, maintaining a leading position among Chinese peers.

Financial Markets Business

The Bank adopted a globalised and integrated operational model, actively anticipated changes in international financial markets, and delivered robust overseas financial market services.

Seizing market opportunities to increase overseas institutions' bond investments. The Bank strengthened its research and analysis of international markets and portfolio strategy, enhanced look-through management of its guidance to overseas institutions regarding business operations and risk management, and expanded differentiated investment authorisations tailored to each institution. Capitalising on market opportunities, it increased the bond investment of its overseas institutions, continuously optimised the structure of its overseas bond portfolios, diversified investments across bond types, currencies and countries, dynamically managed portfolio duration, and contributed to the international use of RMB.

Taking full advantage of its globally integrated trading operations. Through its operations in Beijing, Shanghai, Hong Kong, London and New York, the Bank provided a 5×24 global quotation and trading services network, establishing a financial market product system covering exchange rates, interest rates, precious metals and commodities. Through global booking and system connectivity, it achieved unified cross-institutional and cross-time-zone operations, with centralised management of business, risk, and operations. The Bank expanded customer service channels by conducting foreign exchange and offshore RMB quoting on multiple mainstream trading platforms, serving a large number of domestic and international clients. The overseas trading centres continued to strengthen global service network support, complementing the advantages of the onshore market, constantly enriching the product range of trading services, enhancing competitiveness and differentiated service efficacy, and expanding the offshore RMB interest rate derivatives product, thereby contributing to the advancement of high-standard opening up. The Bank deepened the application of globally integrated collateral management and centralised cross-border transaction reporting. It achieved the same-time-zone collateral mobilisation needs of two overseas sovereign institutions and 6 overseas financial institutions. The Bank established and promoted an overseas cross-jurisdictional reporting mechanism for multinational corporations. The Bank's overseas institutions continued to cultivate local markets, strengthen regional coordination mechanisms, and collaboratively solidify the client base while enhancing customer service capabilities, and kept providing RMB market-making and quotation services and engaged in RMB futures businesses in countries and regions such as Singapore and South Korea.

Steadily strengthening its global custody capabilities. The Bank's global custody business maintained rapid growth, with its overall capabilities continuing to lead Chinese peers. The Bank focused on developing an independently controllable global custody service network covering fundamental services such as clearing and settlement, corporate actions and tax services, as well as value-added services including securities lending, trade matching and cross-time-zone services. Focusing on two-way investment demand under the "Bringing In" and "Going Global" initiatives, the Bank provided domestic and overseas sovereign investors and other renowned institutional investors with custody services for investments under the QFI, CIBM, Qualified Domestic Institutional Investor (QDII) and Southbound Bond Connect schemes. As at the end of June, the Bank ranked first among Chinese peers in both overseas custody assets and cross-border custody assets.

Cross-border RMB Business

Vigorously promoting the international use of the RMB and serving as the main channel for cross-border RMB services. The Bank improved its business network for the international use of the RMB and proactively integrated into the broader agenda of high-level opening-up. It offered RMB services in 58 countries and regions and was newly authorised as an RMB clearing bank in UK, Sri Lanka and Indonesia, bringing the number of RMB clearing banks to 19, maintaining the top ranking among its peers. The Bank continued to lead its peers in its cross-border clearing business. It also had 46 CIPS direct participants and nearly 800 indirect participants. It added new indirect participants in Namibia, Samoa and the Maldives, filling gaps in CIPS coverage in these regions. The Bank proactively expanded RMB use scenarios under trade and investment and actively served capital market connectivity. For the first time, it built an RMB use scenario along the China-Pakistan agricultural products trade chain and realised e-CNY settlement of an aircraft purchase payment. It provided services for more than 300 overseas institutional investors entering China's capital markets through CIBM, QFI and other channels, and assisted Pakistan, Kazakhstan and Slovenia in issuing their first Panda bonds. It maintained a leading market ranking in the underwriting volume of Panda bonds, Free Trade Zone offshore bonds and offshore RMB bonds. The Bank deepened innovation in cross-border RMB products and services and actively promoted international monetary cooperation. It closely participated in mechanisms for the use of local currencies in bilateral trade and investment, advanced commercial utilisation under currency swap arrangements, implemented China-Malaysia, China-Cambodia and China-Indonesia cross-border QR code payments, and engaged deeply in Project mBridge. It established a new RMB cash pool in London, enhanced the quoting capability of the Macao RMB cash pool, increased funding support for RMB in offshore markets and supported the development of the offshore RMB market. The Bank promoted cross-border RMB business in all respects to help enhance the RMB's international influence. It hosted the Bank of China Global RMB Forum 2026 and the Bank of China Promotion Conference on RMB Investment in China's Capital Markets, undertook the China-UK Financial Working Group Roundtable with Financial Institutions and a series of events, and successively organised overseas RMB roadshows in Asia-Pacific, Europe and Africa, and Oceania. It released the *White Paper on the International Use of the RMB* for consecutive years and published the Cross-border RMB Index and the Offshore RMB Index on a quarterly basis.

BOCHK

As a Hong Kong-listed bank controlled by the Bank, BOCHK capitalised on the Group's operational strengths to cultivate the Hong Kong market, actively tap into cross-border business opportunities, and enhance regional management in Southeast Asia, making every effort to improve development quality. As at 30 June 2026, BOCHK's issued share capital was HKD52.864 billion. Its total assets amounted to HKD4,773.371 billion and net assets reached HKD365.817 billion. In the first half of 2026, its profit for the period was HKD24.356 billion.

Promoting the development of green and sustainable finance and adhering to the concept of sustainable development. To support the de-carbonise transformation and sustainable development of corporate customers across various industries in the GBA and Southeast Asia, BOCHK organised a forum dedicated to the sustainable development of supply chain and expanded its green financial product and service offering. It provided green loans to a leading petrochemical and energy enterprise, as well as to Hong Kong's largest franchised bus operator, promoting the green and low-carbon transformation in the transportation system. As at 30 June 2026, its green and sustainability-related loans achieved steady growth. To promote the development of the sustainable bond market, it assisted a supranational organisation in issuing a publicly offered sustainable development bond in Hong Kong. BOCHK also actively promoted green finance business development for personal customers and broadened its range of sustainable investment products, thus encouraging customers to pursue sustainable development together with BOCHK. It continued to implement the BOCHK Green and Sustainable Finance Taxonomy to achieve its carbon neutrality goal in an orderly manner.

Cultivating the Hong Kong market and meeting the diverse financing needs of customers. BOCHK is committed to strengthening bank-enterprise partnerships to deliver professional and comprehensive financial solutions to corporate customers. To serve customers' business development needs, it advanced the development of its key businesses, including payment and settlement as well as cash management services, and consolidated its leading market position in cash pooling business. It successfully secured the custody of portfolios from several key clients, reinforcing its position as a leading Chinese custodian bank. BOCHK enhanced the service capabilities for precious metals storage and physical dispatch, and actively participated in the construction of the gold clearing system. As the settlement institution and a direct participant of Hong Kong's central clearing and settlement system for gold, and as the designated vault of Hong Kong Precious Metals Central Clearing Company Limited, BOCHK leveraged its professional expertise to fully support the HKSAR Government in building an international gold trading hub. It promoted inclusive finance and launched various supportive measures for SMEs in alignment with the HKSAR Government and the Hong Kong Monetary Authority (HKMA). Meanwhile, BOCHK promoted the growth and enhanced the quality of its personal banking services by enriching exclusive products and services for different customer segments. It completed the acquisition of the entire share capital of BOC International Limited and advanced the integration process in an orderly manner, thus enhancing the overall competitiveness of private banking services. To address high-end customers' comprehensive needs including holistic family wealth management, physical and mental wellbeing and bespoke lifestyle experiences, it offered exclusive wealth inheritance and appreciation solutions to "Private Wealth" customers and expanded its network of "Private Wealth Centres". In an effort to reinforce "FamilyMAX", its premier family finance brand, it launched various promotional offers for wealth management products and organised a series of "Wealth+" events. Through its youth-focused "Banking TrendyToo" brand, it provided digital wealth experiences, accessible financial knowledge, entry-level investment products and exclusive offers to young customers to help them start wealth planning early. As a result, the customer base of high-net-worth individuals, families and young customers grew steadily. As at the end of June, BOCHK recorded solid growth in customer deposits and loans, with core financial risk indicators remaining stable. In the first half of 2026, it maintained its market leadership as an arranger bank in the Hong Kong-Macao syndicated loan market, retained its leading market share in terms of the total number of new residential mortgage loans in Hong Kong, led the market in initial public offering (IPO) main receiving bank business in terms of total funds raised on the Main Board of Hong Kong Exchanges and Clearing Limited, and underwrote a number of bond issues with significant market influence.

Seizing cross-border business opportunities and maintaining its market leadership in RMB business. BOCHK actively participated in the HKMA's RMB Business Facility and supported the RMB trade financing needs of corporate customers overseas, promoting the cross-border and international use of the RMB. It optimised its collaboration mechanisms to fully serve the "Going Global" needs of corporate customers, including launching the "BOC Guangdong Enterprise Treasury Centre Service Solution" to support enterprises from the Guangdong Province in "Going Global" to access worldwide cross-border financial services. To promote technology finance, it introduced financial products and services designated for the innovative technology sector, thus empowering the sustainability and high-quality development of technology enterprises. Actively responding to the Group's collaboration mechanisms, BOCHK also rolled out its "Global Integrated Services" platform, and promoted "Global Account Service", "Global Witness Account Opening" and "Global Mutual Recognition", as well as "Global Money Transfer" service, providing customers with greater flexibility in wealth management while meeting their global asset allocation needs. It enriched its cross-border wealth management product suite to help customers capture cross-border wealth management opportunities. The number of cross-border customers grew steadily, along with the cumulative number of accounts opened and volume of funds remitted or transferred under Southbound and Northbound Cross-boundary Wealth Management Connect services. Meanwhile, it completed the full launch of the "RMB Remittance for Property Purchase in Mainland China" service, extending the remittance network to receiving banks in all cities across the Chinese mainland. By integrating diversified financial services with the premium elderly care services in the GBA, it actively promoted the silver economy and advanced the development of cross-border pension finance.

Enhancing its regional management in Southeast Asia and pushing forward the development of globalised operations. BOCHK remained focused on regional integrated development while adopting a differentiated development approach across its regional entities through the organic combination of market-by-market strategies. It refined its cross-border transaction and service network. Capitalising on its role as regional headquarter, it increased investment in its Southeast Asian entities in every aspect, gradually enhancing its service capabilities in the local region. Adhering to its "Chinese + Local" dual-track customer strategy for development and seizing opportunities arising from industrial relocation, BOCHK made concerted efforts to advance Belt and Road and "Going Global" projects as well as serving large corporate customers in the region. It actively strengthened its regional brand building, advancing the integrated development of branding and marketing, and deepening the collaboration with regional partners to enhance its "Wealth+" service capabilities. In response to demand for RMB usage in the region, the BOCHK Phnom Branch officially launched an RMB acquiring business, making it the first commercial bank in Cambodia to offer such service. BOCHK refined regional service network and promoted financial market connectivity in the region, with the BOCHK Jakarta Branch authorised by the PBOC to serve as the RMB clearing bank in Indonesia. It accelerated its regional digitalisation and functional enhancement, with its intelligent Global Transaction Banking (iGTB) platform taking the lead in achieving direct connectivity with the CIPS for clearing function. BOCHK also optimised its mobile banking and cross-border digital payment features, thereby empowering its business growth in Southeast Asia.

Bolstering digital empowerment and consolidating its foundations for high-quality development. Upholding a customer-centric approach, BOCHK continued to strengthen its capabilities in financial technology infrastructure, application scenarios and internal training for AI and big data, with a view to enhancing customer service, optimising risk management and internal processes, and expediting the development of a cross-border payment ecosystem, thereby deepening the integration of business and technology. It enriched application scenarios for BoC Pay+, including the rollout of BoC Pay+'s support for the payment function of the UnionPay network application in the Chinese mainland and the integration with UnionPay's real-time exchange rate system, providing Hong Kong users of BoC Pay+ with a one-stop, seamless, dynamic and real-time cross-border RMB payment experience. BOCHK continued to achieve new breakthroughs in BoC Bill scenarios, successfully onboarding international brands as clients, while sustaining its efforts in the public sector by providing comprehensive collection support for government agencies, statutory bodies and public transportation systems. It steadily promoted product innovation and diversified applications for e-CNY in Hong Kong and Southeast Asia, including expanding its use in daily consumption scenarios. In addition, BOCHK, Bank of China (Thai) Public Company Limited, BOCHK Vientiane Branch and Jakarta Branch successively connected to the Cross-border e-CNY Transfer Services platform of the PBOC, orderly promoting the international use of e-CNY. BOCHK further expanded its mBridge business, having successfully supported BOC Macau Branch in completing the first cross-border remittance transaction via mBridge in Macao. In terms of smart operations, it advanced remote working infrastructure to enable cross-regional centralised operations across the front, middle and back offices. Through system integration and process re-engineering, it effectively reduced operational risks. At the same time, it accelerated the deployment of intelligent office assistants in daily operations, lowering manual processing costs and comprehensively enhancing its technological capabilities.

Please refer to the official website of BOC Life, a subsidiary of BOCHK which engages in life insurance business in Hong Kong, for related information.

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

Comprehensive Operation

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

In the first half of 2026, the Bank consolidated the management foundations for collaboration across its comprehensive operations. With a focus on its key business strategies, the Bank enriched the formats of its comprehensive operations matchmaking activities, enhanced the digital management of business collaboration, and strengthened the development of integrated mechanism for domestic and overseas investment banking, thereby continuing to unlock the value of its diversified product portfolio. It also standardised management processes for its comprehensive operations, improved the governance mechanisms for its comprehensive operation companies, refined their differentiated development strategies, and continued to enhance the quality and efficiency of Group-wide management.

Investment Banking Business

BOCI

The Bank is engaged in investment banking business through BOCI. As at 30 June 2026, BOCI had issued share capital of HKD3.539 billion, total assets of HKD60.054 billion and net assets of HKD26.348 billion. In the first half of 2026, BOCI realised a profit for the period of HKD1.349 billion.

As an overseas investment banking platform committed to serving the two-way opening of China's capital markets, BOCI leveraged the Bank's globalised operations. It focused on the Group's "Going Global" and "Bringing In" clients to build offshore capital market service capabilities. By focusing on asset-light operations, BOCI continuously consolidated its competitiveness and market position in Hong Kong and constantly improved the quality and efficiency of its support for the real economy. By providing professional and diversified investment banking services, BOCI led the market in IPO underwriting in Hong Kong and helped the Bank maintain its leading position among Hong Kong peers in terms of bond underwriting scale. It accelerated the transformation of its brokerage business into a wealth management business, and continued to enhance its sales and marketing efforts and asset allocation service capabilities for high-net-worth clients. The number of wealth management clients and related product revenues recorded steady growth. BOCI advanced digital transformation, continuously optimising online trading and business processing capabilities to enhance customer experience. It promoted the international use of RMB and maintained a leading position in HKD-RMB Dual Counter trading volume in the Hong Kong stock market. BOCI also continued to enhance its asset management capabilities. BOCI-Prudential Asset Management Limited, a subsidiary of BOCI, ranked fifth in the Hong Kong Mandatory Provident Fund (MPF) market. Please refer to the interim report of BOCI China (Stock Code: 601696.SH), a subsidiary of BOCI which engages in securities-related business in the Chinese mainland, for a full review of its business performance and related information.

Asset Management Business

BOCIM

The Bank is engaged in fund management business in the Chinese mainland through BOCIM. As at 30 June 2026, BOCIM had registered capital of RMB100 million, total assets of RMB8.565 billion and net assets of RMB6.633 billion. In the first half of 2026, BOCIM realised a profit for the period of RMB478 million.

Firmly implementing the requirements for the high-quality development of the asset management industry, BOCIM took investor interests as its fundamental priority, and adhered to a long-term investment philosophy. It continuously strengthened the development of its core investment research capabilities and vigorously optimised its fund products. Its asset management business registered steady growth, underpinned by a solid and effective risk management system and internal control mechanisms. As at 30 June 2026, BOCIM's AUM stood at RMB789.4 billion. Specifically, its publicly offered funds reached RMB731.3 billion and its publicly offered funds excluding money market funds reached RMB277.7 billion.

BOC Wealth Management

The Bank is engaged in wealth management business in the Chinese mainland through BOC Wealth Management, including the issuance of publicly offered wealth management products, the issuance of privately offered wealth management products, the provision of wealth management advisory and consulting services, and other asset management-related business. As at 30 June 2026, BOC Wealth Management had registered capital of RMB10.000 billion, total assets of RMB22.951 billion and net assets of RMB22.276 billion. In the first half of 2026, BOC Wealth Management realised a profit for the period of RMB965 million.

BOC Wealth Management continued to promote the high-quality development of its wealth management business. It comprehensively optimised its product system with a focus on pension finance, cross-border business, green finance, inclusive finance, and other areas to develop a distinctive themed product portfolio. It further upgraded its diversified "fixed income+" strategy, strengthened its investment research platform and end-to-end asset allocation management, and provided high-quality financial products and services to meet customers' diversified needs for wealth preservation and appreciation. It strengthened its market-oriented sales and service system, consolidated its customer base, expanded distribution channels and enhanced its customer engagement capabilities. As at 30 June 2026, it realised product sales through 209 external institutions and 232 sales channels. With a focus on deepening technological empowerment, BOC Wealth Management steadily advanced the development of its General Platform for Asset Management, took "Data Factor×" and "AI+" as key breakthroughs and accelerated its digital and intelligent transformation. It improved its enterprise risk management framework, reinforced bottom-line thinking to balance development with security, strengthened risk segregation mechanisms, enhanced proactive risk management and control capabilities, refined risk management and control in key areas, and continued to improve the effectiveness of risk management to support business innovation and development. In the first half of 2026, BOC Wealth Management issued a total of 617 wealth management products, with cumulative funds raised amounting to RMB1.86 trillion, while 368 products reached maturity, with cumulative redemption payments amounting to RMB1.91 trillion. As at 30 June 2026, 1,596 wealth management products remained outstanding, with a balance of RMB1.94 trillion.

Insurance

BOCG Insurance

The Bank is engaged in general insurance business in Hong Kong (China) through BOCG Insurance. As at 30 June 2026, BOCG Insurance had issued share capital of HKD3.749 billion, total assets of HKD11.707 billion and net assets of HKD5.689 billion. In the first half of 2026, BOCG Insurance realised insurance revenue of HKD1.410 billion and a profit for the period of HKD278 million.

BOCG Insurance helped consolidating and enhancing Hong Kong's position as an international financial centre and remained committed to international, market-oriented, standardised and digital operations. Focusing on the "five major tasks" of promoting technology finance, green finance, inclusive finance, pension finance and digital finance, BOCG Insurance remained rooted in the Hong Kong market, with strategic expansion into innovative business in the GBA. BOCG Insurance comprehensively aligned with leading international peers and market benchmarks to robustly implement its insurance strategy and business coordination mechanism and advance product development and service upgrades. It also leveraged its expertise and deepened synergistic collaboration to meet the overseas insurance needs of the Group's customers. Based on the Group's integrated platform, BOCG Insurance expanded its customer base through multiple channels. It aligned its business with the national 15th Five-Year Plan and supported the development of Hong Kong's Northern Metropolis. It promoted market connectivity in the GBA, recording breakthroughs in cross-border medical insurance claims. Focusing on the development of new quality productive forces, it advanced in-depth digital transformation to accelerate process optimisation and enhance product innovation, thereby improving the customer experience. Embracing ESG strategies, BOCG Insurance promoted green office practices and supported green finance initiatives. It maintained an appropriate balance between development and security, effectively prevented and defused financial risks through high-quality risk management, and firmly safeguarded the "bottom line" of regulatory compliance.

BOC Insurance

The Bank is engaged in property insurance business in the Chinese mainland through BOC Insurance. As at 30 June 2026, BOC Insurance had registered capital of RMB4.535 billion, total assets of RMB13.202 billion and net assets of RMB5.501 billion. In the first half of 2026, BOC Insurance realised insurance revenue of RMB3.197 billion and a profit for the period of RMB206 million.

BOC Insurance remained committed to compliant operations and high-quality growth. Closely aligned with the national 15th Five-Year Plan, it helped the insurance industry fulfil its role as a "shock absorber" for the economy and a "stabiliser" for society. It continued to advance the "five major tasks" of promoting technology finance, green finance, inclusive finance, pension finance and digital finance, refined its 2026 action plans for the high-quality development of technology insurance, green insurance, inclusive insurance, pension insurance and digital insurance, and further strengthened the supply of insurance products and services. In the first half of 2026, BOC Insurance provided insurance coverage totalling RMB39.2 trillion, delivered claims services 1.1165 million times, and paid claims exceeding RMB2.525 billion. BOC Insurance actively implemented the Group's development strategy, continued to deepen collaboration with banks, and continuously enhanced the functional value of property insurance within the integrated financial services system. Adhering to a specialised and differentiated development approach, BOC Insurance continued to strengthen its overseas business, tariff guarantee insurance business and non-financing credit guarantee insurance business. In the first half of 2026, BOC Insurance provided RMB177.0 billion of risk coverage for 257 overseas projects. Its tariff guarantee insurance business and trade credit insurance business ranked among the industry leaders by market competitiveness. BOC Insurance maintained a prudent and stable risk appetite, dynamically enhanced its enterprise risk management system and constantly strengthened its end-to-end closed-loop mechanisms for risk identification, early warning and management. It strictly upheld the fundamental principle of operational compliance and ensured safe, stable and orderly operations.

Investment Business

BOCG Investment

The Bank is engaged in direct investment and investment management business through BOCG Investment. As at 30 June 2026, BOCG Investment had issued share capital of HKD34.052 billion, total assets of HKD546.064 billion and net assets of HKD145.862 billion on a consolidated basis. In the first half of 2026, BOCG Investment realised a profit for the period of HKD4.426 billion.

BOCG Investment's business scope included private equity investment, fund investment and management, and real estate investment and management. BOCG Investment strictly implemented the national 15th Five-Year Plan and the Group's arrangements. In line with the development of Hong Kong as an international innovation and technology centre, it actively invested in the technology and innovation sectors. To help expand high-standard opening up, it explored investment opportunities in Belt and Road partner countries. Furthermore, it strengthened its enterprise risk management system and enhanced its risk control capabilities. Please refer to the official website of BOC-Samsung Life Insurance Company Limited, a subsidiary of BOCG Investment which engaged in life insurance business in the Chinese mainland, for a full review of its business performance and related information. Please refer to the interim report of BOC Aviation (Stock Code: 02588.HK), a subsidiary of BOCG Investment which engaged in the aircraft leasing business, for a full review of its business performance and related information.

BOC Asset Investment

The Bank is engaged in debt-for-equity swap business and equity investment pilot business in the Chinese mainland through BOC Asset Investment. As at 30 June 2026, BOC Asset Investment had registered capital of RMB14.500 billion, total assets of RMB98.186 billion and net assets of RMB31.702 billion. In the first half of 2026, it realised a profit for the period of RMB1.809 billion.

BOC Asset Investment conducted debt-for-equity swap and equity investment business in support of the high-quality development of the real economy. Adhering to the "five major tasks" of promoting technology finance, green finance, inclusive finance, pension finance and digital finance, it implemented projects in the technology finance and green finance sectors, among others, to advance the construction of a modern industrial system. BOC Asset Investment steadily advanced its equity investment pilot business. As at 30 June 2026, the Bank's cumulative market-oriented debt-for-equity swap business reached RMB269.480 billion.

Leasing Business

BOC Financial Leasing

The Bank is engaged in financial leasing, transfer and receiving of financial leasing assets and other related businesses through BOC Financial Leasing. As at 30 June 2026, BOC Financial Leasing had registered capital of RMB10.800 billion, total assets of RMB101.946 billion and net assets of RMB12.768 billion. In the first half of 2026, BOC Financial Leasing realised a profit for the period of RMB311 million.

BOC Financial Leasing focused on its primary responsibilities and core businesses, remained fully committed to serving major national strategies and key areas, and supported the high-quality development of the real economy. As at 30 June 2026, BOC Financial Leasing had conducted a total of RMB172.686 billion in leasing business, with the scale of its leasing assets in strategic emerging industries accounting for 25.28% of the total, and successfully launched new business in commercial aerospace, robotics and the low-altitude economy. Leasing assets in green industries, including green mobility, renewable power generation, solid waste treatment and air pollution control, accounted for 58.26% of its portfolio. BOC Financial Leasing completed its first Green Electricity Certificate (GEC) transaction associated with a renewable photovoltaic power station project and participated in the world's largest grid-forming energy storage project. It accelerated the expansion of its aviation and shipping business, delivering 30 wide/narrow-body aircraft of various kinds and executing the Group's first domestically developed C919 large passenger aircraft business, the first large unmanned aerial vehicle leasing business for the low-altitude economy, and the first domestic unmanned helicopter leasing business. Its fleet comprised 70 vessels and was progressively diversified to achieve asset allocation across major vessel types, including bulk carriers, container ships, tankers and LNG carriers. To support high-standard opening up, BOC Financial Leasing completed China's first cross-border financial leasing project in Central Asia. It completed two issuances of financial bonds, raising an aggregate of RMB5.5 billion while further broadening its medium to long-term funding channels.

Consumer Finance

BOC Consumer Finance

The Bank is engaged in consumer loan business in the Chinese mainland through BOC Consumer Finance. As at 30 June 2026, BOC Consumer Finance had registered capital of RMB1.514 billion, total assets of RMB76.891 billion and net assets of RMB9.614 billion. In the first half of 2026, it realised a profit for the period of RMB299 million.

BOC Consumer Finance closely aligned with national strategic plans to expand domestic demand and boost consumption, and integrated its high-quality growth and transformation into the nation's new development paradigm centred on the domestic economy. In response to consumers' diversified spending needs, it remained committed to the fundamental purpose of inclusive consumer finance and channelled professional and well-regulated consumer finance services towards livelihood-related consumption scenarios with greater precision. As such, it actively fulfilled the consumer finance industry's responsibility to serve the real economy and improve people's livelihoods. As at 30 June 2026, its outstanding loans stood at RMB75.296 billion.

Service Channels

Focusing on customer experience and taking digital transformation as a key driver, the Bank accelerated the transformation and upgrading of all service channels. It developed online channels with enhanced ecosystem integration capabilities and offline channels with stronger value creation capacity, cultivating an ecosystem in which online and offline channels are integrated and financial and non-financial scenarios are seamlessly connected.

Online Channels

Capitalising on the potential of technological empowerment, the Bank vigorously expanded its online channels to rapidly develop its online businesses. In the first half of 2026, its e-channel transaction volume reached RMB248.77 trillion.

In corporate banking, the Bank built an integrated global online channel system and continuously optimised the online service experience for corporate customers. The Bank firmly implemented its digital finance strategy, refined its direction of online channel upgrades and carried out orderly upgrades to its business systems, further strengthening the role of online channels in supporting business development. The Bank added the new functions including Group Digital Document and Cross-Border Inward Remittance Notification to the domestic corporate online banking platform, and continued to optimise multiple services such as information inquiry, fund transfers, payroll agency services, cash management and "Shipping Express". It continuously enhanced the localisation capabilities with overseas corporate online banking platform covering 56 countries and regions and with services available in 15 languages. The Bank further optimised cross-border RMB remittance functions to provide full support for CIPS settlement, while introducing a range of new market-specific features, including cheque image services, payroll agency services, instant payments and Cross-border Payment Connect. It also introduced new capabilities such as local interbank payment services in more than ten countries and regions for the cross-border online banking platform, to further meet the requirements of going global enterprises in centralising global liquidity management. The Bank continued to improve the convenience of its corporate mobile banking services by launching a new payroll module, Cross-Border Inward Remittance Notification, intelligent search and bank guarantee verification functions. It vigorously promoted its multi-version service system, enriched specialised features for cross-border financial services and other dedicated service zones, and steadily increased customer engagement. The Bank also accelerated the development of scenario-based finance and open banking. The BOC Corporate e-Manager platform further enhanced its scenario-based service capabilities by introducing solutions such as project-based whitelist payroll and reconciliation-linked payroll, thereby continuously improving its ability to meet diverse corporate customer needs.

In personal banking, the Bank focused on enhancing customer experience and continuously upgraded the service capabilities of its mobile banking app. It completed the consolidation of its personal banking apps and consolidated access to personal online services through the mobile banking app, improving user convenience. The Bank continued to enrich its service functions by introducing new features including "Time Deposit Manager", mortgage application, overseas accounts opening through witnessing in the Chinese mainland, and detailed BOC transaction inquiries within credit reports. It also added online requests for postal delivery and logistics tracking functions for replacement bank cards, providing customers with a broader range of financial services. The Bank launched a Mongolian-language version of its mobile banking app to facilitate access for ethnic minority customers and improve the accessibility of financial services. The Bank further strengthened online and offline integration. It introduced pre-filled account-opening forms, redesigned the appointment and queuing system, and launched an upgraded branch services section, significantly improving the timeliness and accuracy of branch information and creating a smoother customer experience across online and offline channels. In the first half of 2026, the volume of medical insurance code authorisations via mobile banking ranked among the leading peers. The Bank continuously improved the digital risk control and anti-phishing monitoring capabilities for its online channels, identifying and shutting down a total of 282 phishing websites and app download links in the first half of 2026. Its "Cyber Defence" smart risk control and prevention system monitored 4.920 billion online transactions. As at 30 June 2026, the number of registered customers and monthly active customers of mobile banking reached 321.23 million and 104.28 million, respectively, making mobile banking the Bank's most active trading channel.

Offline Channels

The Bank steadily advanced the optimisation and upgrading of its outlets, and strengthened the integration of financial services with livelihood-related scenarios. It continued to refine its outlet network and ensured sufficient resource allocation to channels in key regions and counties. In the first half of 2026, the Bank optimised and adjusted 133 outlets in total (including new openings, closures, and relocations). It expanded into 2 previously unserved counties, increasing its county coverage ratio by 0.11 percentage points to 67.06% and bringing the total number of institutions operating in county and township areas to 3,026. The Bank deepened the development of featured outlets, establishing outlets specialised in areas such as technology finance, green finance, inclusive finance and pension finance in line with local conditions, and strengthened the ability of offline channels to serve key customer groups, regions and businesses. It also enhanced outlets' intelligent services capabilities and expanded the service ecosystem of smart counters, supporting the issuance of China Railway & Banking

Expresspay social security cards, Mastercard RMB debit cards and tier-1 e-CNY wallets, thereby further enriching its range of available products. The Bank introduced a postal delivery service for replacement debit cards, enabling customers to complete more processes remotely. It also added functions including agent-assisted activation of debit cards for minors, removal of restrictions on long-dormant accounts, acceptance of expired cards and self-service collection of retained cards, while continuing to migrate transactions away from counters to improve service efficiency. As at 30 June 2026, the Bank's commercial banking institutions in the Chinese mainland (including Head Office, tier-1 branches, direct branches, tier-2 branches and outlets) totalled 10,249, with 42,142 smart counters and 21,920 ATMs. In the first half of 2026, the ATM transaction volume totalled RMB758.226 billion. The number of other institutions in the Chinese mainland totalled 660, and the number of its institutions in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions totalled 532.

Financial Technology Innovation

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

Comprehensively improving technological support capacity. The Bank steadily advanced the construction of 40 technological and strategic projects and optimised its application project management mechanism, resulting in a 15% year-on-year reduction in average project delivery time. It continued to promote the transformation of its technological architecture, with the total number of cloud platform servers reaching 55,000. The Bank continuously upgraded its basic technology platform. As at 30 June 2026, 466 applications had been connected to its distributed technology platform, 206 applications to its front-end technology platform, and 274 applications to its big data technology platform. The availability rate of critical information systems remained above 99.99%.

Making every effort to advance its "AI+" initiative. The Bank formulated the *Implementation Plan for AI + Finance of Bank of China* and established a global "326" AI enablement framework comprising three platforms for computing power, data and technology, two mechanisms for agile enablement and security governance, and six application paradigms including intelligent question answering and report generation. It upgraded the BOCAI large model platform and its agent capabilities and developed more than 2,200 intelligent assistants, covering key areas including credit, marketing, operations, risk management, customer service, office administration and technology, thereby achieving comprehensive coverage across front, middle and back-office business lines. The intelligent R&D assistant had more than 16,000 users, including over 10,000 monthly active users, contributing to improved financial technology efficiency. The Bank fully applied AI to document and certificate recognition and review, supporting the recognition of 305 document and certificate types in aggregate and effectively enhancing operational quality and efficiency. It replaced repetitive work with automated processes across more than 3,800 application scenarios, with nearly 300,000 tasks executed each month on average. During scenario innovation, the Bank conducted thorough validation and advanced implementation in a prudent manner, ensuring that AI innovation remained secure and controllable. Powered by multimodal large models and robotic process automation, BOC AI DocuAssist automatically identified and extracted all key data elements from documents, significantly improving the operating experience and document entry efficiency.

Constantly reinforcing public infrastructure capabilities. The Bank enhanced its customer relationship management platform and adopted digitalised, automated and intelligent tools to support the daily work and operational management of personal relationship managers and managers at all levels. This improved the quality and efficiency of personal customer services. It iteratively upgraded debit and credit card quick payment products, launched a new quick payment management platform, and optimised card linking, using and management functions to improve the user experience and boost product competitiveness. The Bank developed channel operation components and promoted the end-to-end digital transformation of outlet efficiency management, reducing workloads and improving efficiency at the frontline. It also improved its credit risk early warning mechanism, enriched multidimensional risk monitoring views, and enhanced the effectiveness of dynamic risk tracking and resolution.

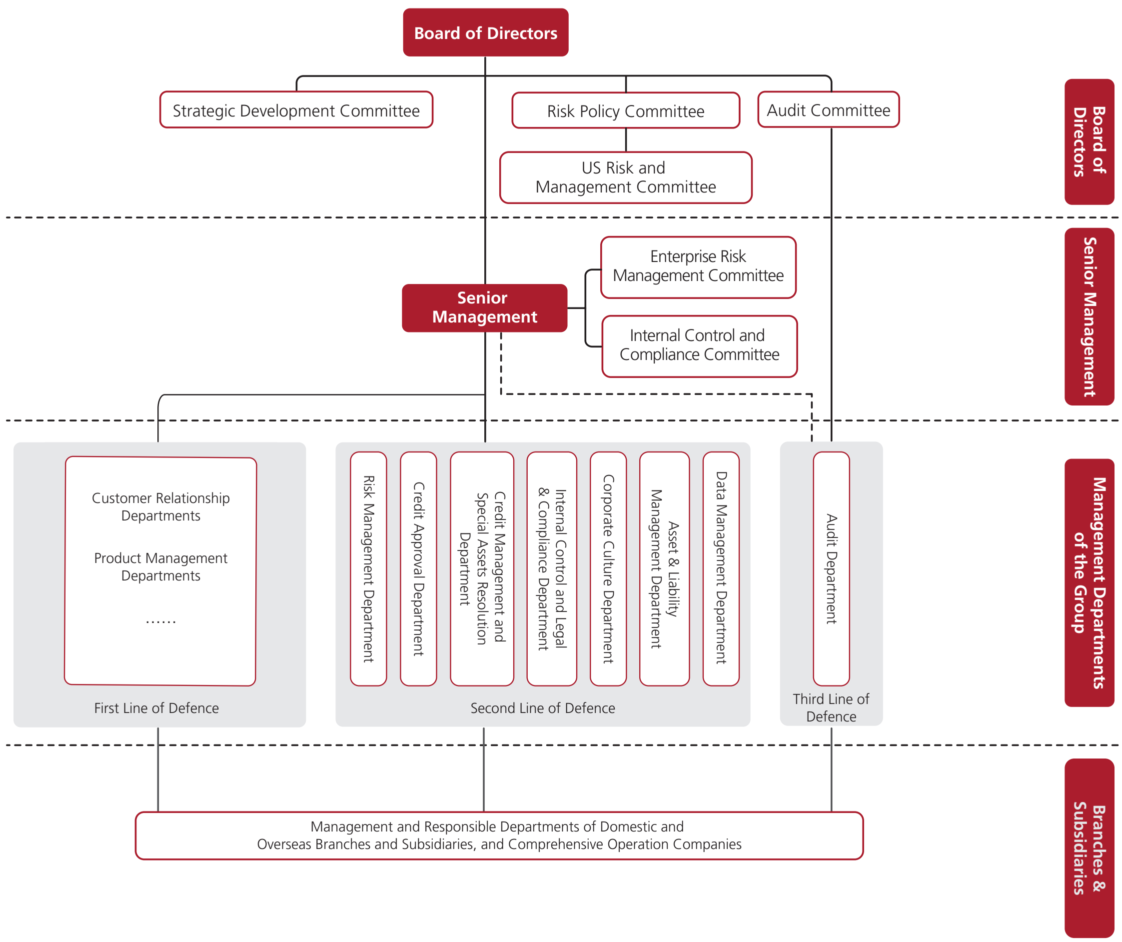
Continuously driving product innovation. The Bank issued the *Implementation Plan for Tiered and Categorised Product Management* to standardise customer-facing product sales and clear product presentations and strengthen product innovation at the sales end and its ability to respond flexibly to market demand. It deepened its open competition mechanism to stimulate further innovation across the Group. Targeting key areas such as the "five major tasks" of promoting technology finance, green finance, inclusive finance, pension finance and digital finance and cross-border services, the Bank rolled out more than 190 innovation achievements, with a focus on addressing critical pain points and challenges in its digital transformation. The Bank vigorously promoted the replication and rollout of digital transformation outcomes developed at the branch level. It accelerated the Bank-wide deployment of key projects including "Quantum 1650" and "Digital and Intelligent Inclusive Finance", effectively establishing a value chain linking frontline innovation, Head Office enablement and Bank-wide sharing.

Furthermore, the Bank is engaged in fintech innovation, software development, platform operation and technical consulting services through BOC Financial Technology. Positioned as the comprehensive service base, scenario-based construction platform, innovation mechanism and unified output channel of the Group's technology system, BOC Financial Technology is deeply integrated into the Group's comprehensive service system to support the Group's digital financial development. BOC Financial Technology fully implemented market-by-market IT development plans and helped improve the Group's comprehensive technological support capacity. It devoted great efforts to building a scenario-based ecosystem, including a corporate treasury system, the "Rejuvenation Platform", and the "BOC Compass" app, thereby helping to improve its digital services for industrial customers. It deepened the application of innovative technologies and focused on building the Group's "Quantum 1650" technology innovation finance platform. Under its strategy of "two products and one service", it continued to expand external cooperation in risk management products, data products and IT consulting services, providing customers with robust, stable and highly professional system support and enhancing the influence of the Group's "finance + technology" brand.

RISK MANAGEMENT

The Bank has established a sound and effective organisational structure for risk management that comprises the Board of Directors, the Senior Management, risk management departments, business departments and internal audit departments. The Board of Directors assumes ultimate responsibility for enterprise risk management, while the Senior Management assumes responsibility for the implementation of enterprise risk management. The three lines of defence for risk management fulfil their respective responsibilities: the first line of defence, which is the risk owner, consists of business departments; the second line of defence, which is responsible for formulating risk management policies and procedures, monitoring and managing risks, consists of risk management departments; the third line of defence, which is responsible for auditing the duty performance by business and risk management departments, consists of the internal audit departments. Adhering to the principles of "forward-looking, proactive, adaptive and applicable", the Bank continued to promote the development of its enterprise risk management system. The Bank strengthened risk governance, optimised its risk appetite to align with its business strategies, and actively supported high-quality development. The Bank improved the risk prevention and control framework of its overseas institutions, effectively implemented differentiated risk management for its comprehensive operation companies, and strengthened risk management penetration at all organisational levels. Robust measures were taken to mitigate risks in key areas such as real estate and local government debt, and to firmly defend the "bottom line" of zero occurrence of systemic financial risk. The Bank advanced the digital and intelligent transformation of risk management, strengthening its risk data foundations, improving internal rating models and optimising the architecture of risk management IT systems. It steadily advanced the implementation of the *Capital Rules for Commercial Banks*, strengthened the refined management of its risk-weighted assets and continuously deepened the management and application of credit ratings.

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



Credit Risk Management

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

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

Continuously optimising its credit structure in line with national strategies. Taking full account of national strategies, regulatory policy, the market environment and its own business characteristics, the Bank formulated industry guidelines for credit allocation and revised its policy for industry limit and concentration management. Guided by the "Five Enhancements and One Optimisation" framework, the Bank expanded credit exposure in key areas including the robust domestic market, a modern industrial system, green transformation and development, high-level opening up, and rural revitalisation, while optimising credit allocation to the real estate sector. This approach supported the high-quality development of our credit business.

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

Balancing growth with stability to support high-quality development in its credit business. In corporate banking, the Bank helped the establishment of the new pattern for real estate development, optimised the structure of real estate loans, actively supported affordable and rental housing, selectively supported improved housing, to meet reasonable financing needs for the real estate projects, and continuously promoted the prevention and resolution for the risk of the real estate sector. The Bank also actively prevented and mitigated local government related debt risks, firmly held the bottom line against new hidden debts. In personal banking, the Bank reviewed its personal credit policies and product measures and adjusted its personal credit strategies to support the development of its personal credit business in line with regulatory requirements and emerging trends in developmental needs. It continuously developed its library of credit risk monitoring indicators, improved its risk monitoring and early warning mechanism at the portfolio level, and enhanced the control and mitigation of potential risks, to ensure that credit risk remains effectively under control.

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

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

As at 30 June 2026, the Group's NPLs[3] totalled RMB301.804 billion, an increase of RMB13.768 billion compared with the prior year-end. The NPL ratio was 1.22%, a decrease of 0.01 percentage points compared with the prior year-end. The Group's allowance for impairment losses on loans and advances was RMB606.174 billion, an increase of RMB29.030 billion compared with the prior year-end. The coverage ratio of allowance for loan impairment losses to NPLs was 200.85%, an increase of 0.48 percentage points compared with the prior year-end.

Five-category Loan and Advance to Customers Classification

Unit: RMB million, except percentages

	As at 30 June 2026		As at 31 December 2025	
Items	**Amount**	**% of total**	Amount	% of total
Group				
Pass	**24,036,942**	**97.34%**	22,776,008	97.30%
Special-mention	**356,541**	**1.44%**	343,470	1.47%
Substandard	**73,593**	**0.30%**	52,790	0.23%
Doubtful	**83,061**	**0.33%**	103,081	0.44%
Loss	**145,150**	**0.59%**	132,165	0.56%
Total	**24,695,287**	**100.00%**	23,407,514	100.00%
NPLs	**301,804**	**1.22%**	288,036	1.23%
Chinese mainland				
Pass	**20,963,661**	**97.54%**	19,791,100	97.57%
Special-mention	**270,171**	**1.26%**	252,844	1.25%
Substandard	**62,382**	**0.29%**	36,570	0.19%
Doubtful	**72,880**	**0.34%**	94,298	0.46%
Loss	**123,086**	**0.57%**	108,409	0.53%
Total	**21,492,180**	**100.00%**	20,283,221	100.00%
NPLs	**258,348**	**1.20%**	239,277	1.18%

Five-category Loan and Advance to Customers Migration Ratio of the Group

Unit: %

Items	**For the six-month period ended 30 June 2026 (annualised)**	2025	2024
Pass	**1.22**	1.03	1.06
Special-mention	**23.25**	21.98	21.62
Substandard	**75.10**	45.72	63.08
Doubtful	**66.05**	42.19	49.27

Note: Calculated in accordance with the relevant regulations of the NFRA.

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

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

Unit: RMB million, except percentages

Items	As at 30 June 2026				As at 31 December 2025			
	Loans	% of total	NPLs	NPL ratio	Loans	% of total	NPLs	NPL ratio
Chinese mainland								
Corporate Loans and Advances								
Commerce and services	**4,504,538**	**18.24%**	**48,925**	**1.09%**	3,915,566	16.73%	47,401	1.21%
Manufacturing	**3,627,690**	**14.69%**	**31,039**	**0.86%**	3,229,361	13.80%	28,350	0.88%
Transportation, storage and postal services	**2,442,186**	**9.89%**	**7,634**	**0.31%**	2,374,684	10.14%	7,043	0.30%
Production and supply of electricity, heating, gas and water	**1,481,105**	**6.00%**	**9,872**	**0.67%**	1,429,773	6.11%	10,482	0.73%
Real estate	**948,470**	**3.84%**	**57,866**	**6.10%**	966,833	4.13%	60,519	6.26%
Financial services	**673,500**	**2.73%**	**2**	**0.00%**	686,713	2.93%	2	0.00%
Construction	**637,394**	**2.58%**	**8,477**	**1.33%**	557,679	2.38%	7,422	1.33%
Water conservancy, environment and public utility management	**504,433**	**2.04%**	**5,724**	**1.13%**	475,795	2.03%	4,783	1.01%
Mining	**293,218**	**1.19%**	**1,064**	**0.36%**	281,028	1.20%	1,824	0.65%
Public utilities	**242,533**	**0.98%**	**3,954**	**1.63%**	235,105	1.00%	4,078	1.73%
Others	**117,738**	**0.48%**	**1,517**	**1.29%**	107,608	0.47%	1,418	1.32%
Subtotal	**15,472,805**	**62.66%**	**176,074**	**1.14%**	14,260,145	60.92%	173,322	1.22%
Personal loans								
Residential mortgages	**3,906,686**	**15.82%**	**37,313**	**0.96%**	3,982,786	17.01%	23,882	0.60%
Personal consumer loans	**579,562**	**2.34%**	**12,247**	**2.11%**	515,733	2.20%	11,225	2.18%
Personal business loans	**1,083,932**	**4.39%**	**22,078**	**2.04%**	1,038,552	4.44%	20,237	1.95%
Credit cards	**449,195**	**1.82%**	**10,636**	**2.37%**	486,005	2.08%	10,611	2.18%
Subtotal	**6,019,375**	**24.37%**	**82,274**	**1.37%**	6,023,076	25.73%	65,955	1.10%
Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions	**3,203,107**	**12.97%**	**43,456**	**1.36%**	3,124,293	13.35%	48,759	1.56%
Total of the Group	**24,695,287**	**100.00%**	**301,804**	**1.22%**	23,407,514	100.00%	288,036	1.23%

In accordance with *International Financial Reporting Standard No. 9 Financial Instruments*, the Bank assesses expected credit losses with forward-looking information and makes relevant allowances. In particular, it makes allowances for assets classified as Stage 1 and assets classified as Stage 2 and Stage 3 according to the expected credit losses over 12 months and the expected credit losses over the entire lifetime of the asset, respectively. As at 30 June 2026, the Group's Stage 1 loans and advances totalled RMB23,816.810 billion, accounting for 96.54% of total loans and advances; Stage 2 loans and advances totalled RMB552.207 billion, accounting for 2.24% of total loans and advances; and Stage 3 loans and advances totalled RMB301.441 billion, accounting for 1.22% of total loans and advances.

In the first half of 2026, the Group's impairment losses on loans stood at RMB69.702 billion, an increase of RMB4.771 billion year-on-year. The credit cost was 0.58%, remaining stable year-on-year. Please refer to Notes III.16 and IV.1 to the Condensed Consolidated Interim Financial Statements for detailed information regarding loan and advance classification, stage determination and advances and allowance for loan impairment losses.

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

Unit: %

Indicators	**As at 30 June 2026**	As at 31 December 2025	As at 31 December 2024
Loan and advance concentration ratio of the largest single borrower	**2.6**	2.5	2.5
Loan and advance concentration ratio of the ten largest borrowers	**12.1**	12.5	12.7

Notes:

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

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

The following table shows the ten largest individual borrowers as at 30 June 2026.

Unit: RMB million, except percentages

	Industry	**Related Parties or not**	**Outstanding Loans and advances**	**% of total loans and advances**
Customer A	Transportation, storage and postal services	NO	105,001	0.43%
Customer B	Financial services	NO	60,745	0.25%
Customer C	Transportation, storage and postal services	NO	53,614	0.22%
Customer D	Financial services	NO	45,195	0.18%
Customer E	Transportation, storage and postal services	NO	41,987	0.17%
Customer F	Manufacturing	NO	40,400	0.16%
Customer G	Transportation, storage and postal services	NO	40,702	0.16%
Customer H	Transportation, storage and postal services	NO	40,382	0.16%
Customer I	Financial services	NO	33,527	0.14%
Customer J	Commerce and services	NO	32,448	0.13%

Market Risk Management

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

The Bank actively responded to changes in the market environment, continuously improved its market risk limit system and steadily controlled market risk. The objective of the Group's market risk management is to implement effective management measures in light of the overall risk appetite determined by the Board of Directors, thus controlling market risk within a reasonable level acceptable to the Bank and achieving a reasonable balance between risk and return.

Optimising its market risk management system and comprehensively improving market risk management effectiveness. Using appropriate quantitative and qualitative methods, the Bank carried out effective identification, measurement, monitoring, control and reporting of market risk. The Bank optimised its multi-layered market risk limit system to enhance management flexibility and effectively transmit its market risk appetite. In response to a complex and volatile market, it further strengthened its forward-looking and proactive risk control mechanism and responded prudently to evolving market conditions. The Bank intensified its efforts in emergency drills and stress testing, and strengthened risk control in derivatives and other key areas. Please refer to Note IV.2 to the Condensed Consolidated Interim Financial Statements for more details of market risk.

Actively implementing regulatory requirements and improving the market risk management efficiency of the trading book. The Bank measured regulatory capital for market risk under the standardised approach in accordance with regulatory requirements, and incorporated capital allocation results into its market risk limit framework, thus integrating capital measurement into business and risk management. Taking the implementation of the *Capital Rules for Commercial Banks* as an opportunity for improvement, the Bank continued to consolidate and upgrade its systems and solidified the foundations of its data, model and system management, with the objective of establishing a suite of market risk management information systems characterised by compliance, accuracy, efficiency and independent development, thereby effectively supporting high-quality business development.

Steadily implementing forward-looking market risk research and judgment to enhance risk management of securities investments. The Bank tracked domestic and international market developments and issued timely analysis and risk warnings. It continuously optimised its market risk limit management for bond investments and enhanced the level of precision management. It reinforced its early warning mechanisms and strengthened the bond investment risk penetration management capabilities of its comprehensive operating companies, thereby steadily consolidating the asset quality of its securities investment business.

Achieving currency matching between fund source and application to manage exchange rate risk. The Bank controlled its foreign exchange exposure through currency conversion and hedging, thus maintaining its exchange rate risk at a reasonable level.

Management of Interest Rate Risk in the Banking Book

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

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

Liquidity Risk Management

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

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

Establishing a sound governance structure for liquidity risk management. The Board of Directors bears ultimate responsibility for liquidity risk management, including examining and approving the Group's liquidity risk preferences and liquidity risk management strategies. The Senior Management implements the liquidity risk tolerance level and liquidity risk management strategies approved by the Board of Directors and carries out liquidity risk management. The Asset and Liability Management Department of the Head Office leads the Group's liquidity risk management. Other functional departments of the Head Office and all Group institutions collaborate to complete funding arrangements that ensure the overall liquidity security of the Group, and assume their respective functions for liquidity risk management within the overall policy framework mentioned above. Each subsidiary assumes responsibility for their own liquidity management. The Bank incorporates liquidity risk management into the scope of internal audit, and reviews and evaluates the sufficiency and effectiveness of its liquidity risk management on a regular basis.

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

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

As at 30 June 2026, the Group's liquidity risk indicator met regulatory requirements. The Group's liquidity ratio and the loan-to-deposit ratio of the Bank's domestic operations, calculated in accordance with the relevant provisions of regulatory authorities in the Chinese mainland, are shown in the table below:

Unit: %

Ratio		Regulatory standard	As at 30 June 2026	As at 31 December 2025	As at 31 December 2024
Liquidity ratio	RMB	≥25	**51.1**	49.6	55.4
	Foreign currency	≥25	**78.8**	85.9	79.0
Loan-to-deposit ratio	RMB and foreign currency	–	**90.3**	88.2	87.2

Liquidity gap analysis is one of the methods used by the Bank to assess liquidity risk. Liquidity gap results are periodically calculated, monitored and used for sensitivity analysis and stress testing. As at 30 June 2026, the Bank's liquidity gap was as follows (please refer to Note IV.3 to the Condensed Consolidated Interim Financial Statements):

Unit: RMB million

Items	**As at 30 June 2026**	As at 31 December 2025
Overdue/undated	**2,424,660**	2,350,764
On demand	**(11,635,108)**	(10,917,687)
Up to 1 month	**(2,382,484)**	(1,399,275)
1-3 months (inclusive)	**(1,157,470)**	(1,302,943)
3-12 months (inclusive)	**(142,945)**	(632,216)
1-5 years (inclusive)	**5,106,232**	4,530,811
Over 5 years	**11,027,499**	10,578,670
Total	**3,240,384**	3,208,124

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

For detailed information regarding the liquidity coverage ratio and net stable funding ratio, please refer to the *Bank of China Limited Pillar 3 Disclosure Report for the First Half of 2026*.

Operational Risk Management

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

The Bank implemented the *Measures for the Management of Operational Risk of Banking and Insurance Institutions* and continuously improved its operational risk management system. It promoted the application of operational risk management tools such as risk and control assessment (RACA), key risk indicators (KRI), loss data collection (LDC) and operational risk event management (OREM), etc., carried out the identification, assessment and monitoring of operational risks, standardised its operational risk reporting mechanism, improved its risk management measures and further refined the management of operational risk capital measurement. The Bank enhanced its IT system support capabilities by optimising its operational risk management information system. It strengthened the Group's business continuity management system, optimised its operating mechanism, enhanced its business continuity management policies and performed business impact analysis. The Bank also refined its contingency plans and carried out business continuity drills, thus improving the Group's business continuity capacity.

Country Risk Management

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

In the first half of 2026, the Bank actively addressed a complicated international political and economic situation, stepped up efforts in the monitoring and reporting of country risk, and strengthened the monitoring and early warning of limit implementation. As at 30 June 2026, country risk exposures were mainly concentrated in countries and regions with low and relatively low country risk, and the Group's overall country risk was controlled at a reasonable level.

Reputational Risk Management

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

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

Strategic Risk Management

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

Information Technology Risk Management

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

Through the Digital Finance Committee, the Bank coordinated and promoted the establishment of the Group's IT risk management system and cybersecurity protection system. The Bank incorporated IT risk into its enterprise risk management system, improved IT risk management measures, and continuously carried out effective identification, assessment, monitoring, control and reporting of IT risk, in order to reduce and control IT risk at an appropriate level. The Group revised and improved its IT risk management policies and improved the quality and efficiency of its technology risk management. It continued to enhance its capabilities to guarantee operational safety. In the first half of 2026, the Bank's information systems remained generally stable, and operational security risks were under control. The Bank also strengthened its integrated operations through the Group's cybersecurity coordination mechanism and further reinforced its response to global cybersecurity incidents. In the first half of 2026, the Bank actively defended against various external attacks, with no material cybersecurity incidents reported.

Internal Control and Compliance Management

Internal Control

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

The Bank established and implemented the "Three Lines of Defence" mechanism for internal control. The first line of defence consists of business departments and all banking outlets. They are the owners of, and are accountable for risks and controls. They undertake self-directed risk control and management functions in the course of their business operations, including formulating and implementing policies, conducting business examination, reporting control deficiencies and organising rectifications. The internal control and risk management departments of the Bank's institutions at all levels form the second line of defence. They are responsible for the overall planning, implementing, examining and assessment of internal control and risk management, as well as for identifying, measuring, monitoring and controlling risks. They actively organise Bank-wide usage of the Group's operational risk monitoring and analysis platform, and are responsible for accountability and responsibility work related to employee violations. Through regular monitoring of material risks, the Bank identified and mitigated risks in a timely manner and promoted the optimisation of its business processes and systems. As the third line of defence in internal control, the audit department is responsible for performing internal audits of the adequacy and effectiveness of the Bank's internal control. Adopting a problem-oriented and risk-oriented approach, it highlighted the proactive role of audit work. Focusing on the implementation of national policies, key regulatory priorities, and the Group's development plan, the audit department concentrated its efforts on delivering the "five major tasks" of promoting technology finance, green finance, inclusive finance, pension finance and digital finance, as well as improving the quality and efficiency of its services to the real economy. It closely monitored risk prevention and control in key areas, institutions, and links, promoted the deep integration of digitisation and research-based auditing, and optimised the audit monitoring system to improve the effectiveness of its audit practices. While carrying out audits in an orderly manner, the audit department attached equal importance to problem discovery and rectification supervision. It conducted independent evaluations of the quality and effectiveness of audit findings and the appropriateness and effectiveness of the operation of the Group's rectification mechanism, continuously promoting the application of audit results and improving rectification quality and efficiency. It deepened coordination and connection among supervisory efforts, and improved the routine risk prevention and control of the first and second lines of defence, thereby jointly enhancing stronger supervisory synergy.

The Bank further improved its mechanism for internal control over case prevention, consolidated the responsibilities of primary responsible parties and took multiple control measures. The Bank implemented the *Measures for Risk Prevention and Control of Criminal Cases Involving Banking and Insurance Institutions* and the *Measures for the Management of Criminal Cases Involving Financial Institutions*. It improved its case risk prevention and control management system, upgraded its supervision mechanism for case risk prevention and control, strengthened the disposal and management of cases, prevented and controlled case risks across the entire business process, and constantly improved its internal control and case prevention management. In the first half of 2026, the Bank successfully prevented 119 external cases involving RMB14.2851 million. It also focused on internal control inspection and the rectification of findings, conducted regular case-based warning education, raised employees' compliance awareness and fostered an internal control compliance culture.

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

Compliance Management

The Bank continuously improved its compliance management system and mechanisms and processes, and fully implemented the *Measures for Compliance Management of Financial Institutions* to ensure the Group's sound operation and sustainable development.

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

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

CAPITAL MANAGEMENT

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

The Bank focused on the requirements of high-quality development, adhered to the principle of attaching equal importance to endogenous accumulation and external supplementation, increased the cohesion of strategic planning, capital replenishment and performance assessment, and continuously improved the level of management. It enhanced its economic capital budget and assessment mechanism, highlighted capital constraint incentives, firmly established the concepts of capital conservation and value creation in order to enhance its capacity for endogenous capital accumulation. The Bank expanded the application of advanced approaches to capital measurement, improved its on and off-balance sheet asset structure, strengthened refined capital management, optimised capital-intensive businesses and developed capital-light businesses, reduced inefficient capital usage and enhanced the return on capital employed. It optimised its internal capital adequacy assessment process and improved its capital management governance structure. The Bank prudently replenished its capital through external financing channels in order to consolidate its capital base, and its capital adequacy ratio remained at a robust and sufficient level.

In the first half of 2026, the Bank successfully issued RMB30.0 billion of undated capital bonds, and RMB100.0 billion of tier 2 capital bonds in the capital market, further strengthening its capital base. It reinforced the management of existing capital instruments, redeemed RMB50.0 billion of undated capital bonds as well as RMB15.0 billion of tier 2 capital bonds, effectively reducing its cost of capital. The Bank also issued RMB40.0 billion of total loss-absorbing capacity (TLAC) bonds in the national interbank bond market, enhancing its total loss-absorbing capacity. As at 30 June 2026, the Group's capital adequacy ratio was 18.31%, remaining at a robust and reasonable level. The total loss-absorbing capacity (TLAC) risk-weighted ratio was 21.66%, meeting the regulatory requirement.

Capital Adequacy Ratios

As at 30 June 2026, the Group's capital adequacy ratios calculated in accordance with the *Capital Rules for Commercial Banks* are listed below:

Unit: RMB million, except percentages

Items	**As at 30 June 2026**	As at 31 December 2025
Net common equity tier 1 capital	**2,681,031**	2,622,071
Net tier 1 capital	**3,040,754**	3,002,708
Net capital	**4,078,843**	3,945,867
Total risk-weighted assets	**22,276,506**	20,932,851
Common equity tier 1 capital adequacy ratio	**12.04%**	12.53%
Tier 1 capital adequacy ratio	**13.65%**	14.34%
Capital adequacy ratio	**18.31%**	18.85%

The capital adequacy ratio met the additional regulatory requirements for systemically important banks. Please refer to Note IV.5 to the Condensed Consolidated Interim Financial Statements and the *Bank of China Limited Pillar 3 Disclosure Report for the First Half of 2026* for more detailed information about capital measurement.

Leverage Ratio

As at 30 June 2026, the Group's leverage ratio calculated in accordance with the *Capital Rules for Commercial Banks* is listed below:

Unit: RMB million, except percentages

Items	**As at 30 June 2026**	As at 31 December 2025
Net tier 1 capital	**3,040,754**	3,002,708
Adjusted on-and off-balance sheet exposures	**42,067,699**	40,339,678
Leverage ratio	**7.23%**	7.44%

The leverage ratio met the additional regulatory requirements for systemically important banks. For more detailed information about leverage ratio measurement, please refer to the *Bank of China Limited Pillar 3 Disclosure Report for the First Half of 2026*.

OUTLOOK

Looking ahead to the remainder of the year, the banking sector is expected to face both opportunities and challenges. Internationally, it is likely that geopolitical conflicts will remain complex, major economies' performance will continue to diverge and external uncertainties and instabilities will persist, while both global inflationary pressures and global financial markets volatility may intensify. Domestically, China's economy will continue to benefit from a solid foundation, multiple strengths, strong resilience and significant growth potential, with favourable conditions for a stable economic recovery remaining firmly in place. More proactive and effective macro policies will continue to promote both qualitative improvement and reasonable quantitative growth, further enhancing the economy's resilience and vitality and laying a solid foundation for a strong start to the 15th Five-Year Plan period.

The Bank will steadfastly follow the path of financial development with Chinese characteristics, uphold its fundamental purpose of serving the real economy, resolutely implement macro policies, and firmly prevent and control risks. By focusing on its core businesses and taking proactive measures to consolidate its strengths as a financial institution, the Bank will further consolidate and expand its global and integrated advantages and pursue high-quality development while supporting a good start to the 15th Five-Year Plan period.

The Bank will effectively implement macro policies and fully support the real economy. The Bank will steadily advance the "five major tasks" of promoting technology finance, green finance, inclusive finance, pension finance and digital finance, carry out product innovation tailored to local conditions, improve its product system to better match the needs of new quality productive forces, and enhance its quality and efficiency in serving the real economy. It will further increase support for the development of a modern industrial system, with a focus on priority areas such as technology innovation, strategic emerging industries, manufacturing industry, and service industry. Actively supporting the development of a strong domestic market, the Bank will implement coordinated fiscal and financial measures to boost domestic demand and further advance special initiatives to stimulate consumption. It will bolster coordinated regional development and enhance its financial capabilities to support key regions.

The Bank will continue to leverage its distinctive strengths and comprehensively enhance its global integrated service capabilities. It will optimise its global network, cultivate a service mechanism and platform based on "accessing the Bank's global resources and services at any point of contact", strengthen coordination between domestic and overseas institutions, and better leverage the connectivity of its global network. Focusing on key markets and customer segments, the Bank will accelerate the development of an integrated customer service system, continue to strengthen the professional branding of key products, and enhance the Group's global management capabilities. It will systematically strengthen its capabilities for promoting the international use of RMB, better meet enterprises' diversified cross-border RMB financing needs, and foster a broader range of RMB usage scenarios. The Bank will also accelerate the coordinated development of its comprehensive operations, enhance the quality of professional services in the wealth management, fund management, securities, insurance and leasing sectors, and build an integrated and efficient service system that connects internal and external operations.

The Bank will steadily advance digital and intelligent enablement and comprehensively improve the efficiency of its development and service delivery. It will accelerate technology enablement across its businesses, promote the application of AI and blockchain technologies in key areas including payments, marketing, risk management and operations, and accelerate the rollout of independently developed high-quality systems across the Bank. The Bank will continue to advance digital and intelligent transformation to enhance service convenience and intelligence. It will strengthen the service efficiency of its online channels and continuously deepen intensive operations. The Bank will further improve products and services relating to payroll services, cash management and social security cards to enhance the overall customer experience. In line with regulatory guidance, it will promote orderly competition and foster a fair and transparent market environment.

The Bank will constantly ensure both development and security and control and reinforce its foundations for high-quality development. It will constantly improve its enterprise risk management system and make greater efforts to promote a positive interaction between high-quality development and high-level security. The Bank will reinforce asset quality management, maintain strict control over risks in critical areas, and intensify efforts on risk resolution. It will continuously promote its internal control and compliance system, improve management processes for anti-money laundering, anti-fraud and consumer rights protection, and reinforce compliance control in key areas. The Bank will firmly hold the bottom line of preventing systemic financial risks and resolutely safeguard the new development paradigm with a new security architecture.

Sustainability Efforts

The Bank attaches great importance to sustainability-related work, continuously improves its sustainability governance mechanism and management system, and actively integrates the concept of sustainability into its development strategy, major decisions, operation management and business development.

Environmental Responsibilities

Green Finance

Governance Structure

The Bank has established a three-tier sustainability governance structure, comprising the Board of Directors, Senior Management and a professional team, and continued to refine this structure and enhance its environmental (climate)-related governance capabilities. In the first half of 2026, the Board of Directors and its Sustainable Development and Consumer Protection Committee reviewed and approved the *Report on Green Finance Development for 2025 and Work Plan for 2026* and the *2025 Sustainability Report*. The Senior Management studied the guiding principles of important speeches by General Secretary Xi Jinping regarding green development, discussed implementation measures, and heard reports on the implementation progress of the Bank's green finance action plan, thereby supporting the Bank's endeavours in developing green finance. The professional team proactively carried out the Group's green finance work, making solid efforts to advance green finance development. The Bank incorporated indicators related to developing green finance into the performance assessment of Senior Management members, linking assessment results to remuneration.

Strategies and Policies

In strict alignment with the national goal of "peak carbon emissions and carbon neutrality", the Bank continued to enhance its green finance scheme, working plan and specific policies. To date, it has developed a policy support package covering 13 areas, including performance assessment and incentive reinforcement, optimisation of economic capital cost management, and allocation of staff costs, etc. In the first half of 2026, focusing on green development, the Bank formulated the *2026 Work Plan for Green Finance of Bank of China Limited*, detailing measures related to aspects such as strengthening top-level design, promoting business development, supporting key areas, customer ESG risk management, green operations, cooperation and communication, capacity building and talent cultivation, and IT system optimisation, etc. It issued the *Industry Guidelines on Credit Granting of Bank of China Limited (2026)*, which continued to define green and low-carbon industries such as wind power, new energy storage, ecological protection, and environmental treatment as positive growth industries, and improved corresponding supporting policies to channel more funds into these industries.

Customer Environmental (Climate), Social and Governance (ESG) Risk Management

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

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

For other information on green finance, please refer to the relevant sections of this report.

Green Operations

The Bank advocated the concept of green development, consistently pressed ahead with green operations, and continuously drove the adoption of measures for energy conservation, emissions reduction and carbon reduction across its institutions. It issued the *2026 Carbon Neutrality Work Plan for Domestic Branches*, setting out annual targets as well as energy conservation and carbon reduction measures covering facility upgrades, the use of green electricity, and the promotion of green lifestyles and workplace practices. The Bank continued to promote the use of green electricity. Building on the existing adoption of green electricity at the principal office premises of its tier-1 and tier-2 branches, it steadily expanded the use of green electricity to data centres and banking outlets. The Bank encouraged employees to adopt green commuting and green office practices, and carried out extensive green operations awareness campaigns. It also issued the *Green Action Guide* to all employees, encouraging practical actions such as saving electricity, water and paper to support the development of a Beautiful China through low-carbon lifestyles. The Bank continued to advance the construction of green outlets, with a total of 68 featured outlets for green construction now established.

Social Responsibilities

Inclusive Finance

Consolidating and Expanding Achievements in Poverty Alleviation

Giving full play to its financial strengths, the Bank deepened its targeted and development-oriented assistance to the four counties of Yongshou, Changwu, Xunyi and Chunhua in Xianyang (the "four northern counties"), and made every effort to support the four northern counties in consolidating the foundations for preventing any return to poverty or emergence of new poverty, as well as for promoting comprehensive rural revitalisation. In the first half of 2026, the Bank donated non-repayable support funds of nearly RMB30 million to the four northern counties and launched more than 20 assistance projects related to industrial revitalisation, education and healthcare, safe drinking water, and the construction of a beautiful countryside. Total outstanding loans extended by the Bank to the four northern counties have exceeded RMB2.5 billion. The Bank also organised training programmes with nearly 3,000 training attendances from local primary-level officials and agricultural professionals while facilitated agricultural products transactions over RMB80 million from poverty-alleviated areas.

Promoting Rural Revitalisation in All Aspects

In line with China's rural revitalisation strategy, the Bank focused on key customer groups relating to agriculture, rural areas and farmers as well as key areas and weak links in agriculture and rural areas, continuously increased its input of financial resources and constantly improved the quality and efficiency of its financial support for comprehensive rural revitalisation. In the first half of 2026, the Bank increased credit support for the key areas of farmland, agricultural supplies and grain production and circulation, bolstered the development of county and township-level specialty industries, and advanced the construction of agricultural and rural infrastructure, all with the aim of promoting rural revitalisation and agricultural and rural modernisation. As at 30 June 2026, its balance of agriculture-related loans amounted to RMB3.15 trillion while the balance of inclusive agriculture-related loans reached RMB706.357 billion. The Bank's outlets covered 1,252 counties (not including prefecture-level districts and above). Meanwhile, BOC Fullerton Community Bank, an important platform of the Bank for supporting county-level economies, continued to uphold its strategic positioning of "taking roots in counties and supporting farmers and small-sized enterprises", boasting 134 village branches and 185 township sub-branches or outlets, and operating in county-level rural areas across 22 provinces (including autonomous regions and municipalities) nationwide. It is the largest domestic rural banking group in terms of number of institutions. As at 30 June 2026, BOC Fullerton Community Bank served approximately 467,600 loan customers, with an average loan size of around RMB195,100 per customer. Loans to farmers and micro and small-sized enterprises accounted for 93.78% of these loans, while operating loans accounted for 94.95%.

Continuously Improving the Quality and Efficiency of Inclusive Finance Services

Committed to the ideal of "providing timely assistance and serving the people's livelihood", the Bank continuously improved the coverage, accessibility and customer satisfaction levels of its financial services, provided financial support for the development of inclusive finance and expanded its inclusive finance service coverage. As at 30 June 2026, the customer base for inclusive finance loans to micro and small-sized enterprises approached 1.9875 million, an increase of 8.19% compared with the beginning of the year. The Bank continued to provide financial support towards the goal of stabilising employment, with a focus on micro and small-sized enterprises capable of stabilising and expanding employment. It has carried out the "Inclusive Loan for Employment Promotion" initiative for several consecutive years, granting special loans of over RMB390 billion to enterprises that contribute to stabilising and expanding employment in the first half of 2026. To support businesses in the service industry, including self-employed individuals and new urban residents, the Bank rolled out exclusive financial services such as support for "famous-brand, special, excellent and new products", "Innovation Support Loan" and "Veteran Support Loan", so as to safeguard people's livelihood through financial empowerment.

Consumer Rights Protection

Vigorously Protecting the Rights and Interests of Financial Consumers

In line with its people-centred philosophy, the Bank continuously enhanced the effectiveness of its consumer protection efforts and remained committed to delivering a better customer service experience and improving customer satisfaction. The Bank continued to strengthen complaint management by maintaining accessible complaint submission channels and responding effectively to a wide range of financial consumer concerns. In the first half of 2026, it accepted approximately 135,000 customer complaints[4], with a complaint resolution rate of 100%. The Bank also actively carried out financial literacy and consumer education initiatives, organising more than 200,000 educational activities in the first half of 2026, representing an 81% increase compared with the same period last year. These initiatives effectively enhanced consumers' financial literacy and risk prevention capabilities.

The Bank consistently gave top priority to the rights and interests of financial consumers, listened attentively to customer feedback, and bolstered a sustainable ecosystem built on consumer trust. In terms of customer service, the Bank continued to integrate online and offline service channels, expand product offerings and service scenarios, streamline business processes, and provide tailored services for customers with special needs. Regarding suitability management, the Bank implemented new regulatory requirements by revising relevant policies and customer agreements and enhancing system functionalities. As for the management of marketing practices, the Bank implemented newly issued regulatory requirements, including the *Provisions on Disclosing the Comprehensive Financing Cost of Personal Loans* and the *Administrative Measures for Online Marketing of Financial Products*, strengthened information disclosure, and further standardised its marketing practices. Regarding risk management, the Bank reinforced its end-to-end

4 Customer complaint data for the first half of 2026 are presented after consolidating duplicate complaints.

consumer protection framework covering pre-event, in-event and post-event processes, launched the core functions of its intelligent consumer protection platform, and continued to ramp up technology-driven consumer protection. In terms of complaint handling, the Bank adopted both corrective and preventive approaches by refining its complaint management system, improving complaint resolution efficiency, resolving customer complaints more effectively, identifying root causes through in-depth analysis, strengthening governance at source, and continuously optimising financial products and services.

In strict accordance with applicable laws, regulations and regulatory requirements, the Bank continuously improved its protection mechanisms and management policies for personal customer information to steadily enhance bank-wide capabilities in safeguarding personal customer information. Measures include strengthening controls across the entire information lifecycle, covering personnel, systems, positions, processes, cooperative institutions and emergency response. In the first half of 2026, the Bank revised the *Contingency Plan for Personal Customer Information Security Incidents* and the *Guidelines for Personal Customer Information Protection Impact Assessment*, institutionalised pre-assessment and risk management for key scenarios involving the processing of sensitive personal information, conducted regular inspections on personal information protection, and organised the Head Office and domestic tier-1 branches to implement the 2026 Special Action Programme on Personal Customer Information Protection. It also regularly carried out specialised training and awareness programmes on personal information protection to further enhance employees' compliance awareness and competence in fulfilling their responsibilities.

The Bank actively fulfilled its responsibility for promoting financial education through both centralised campaigns and ongoing public education initiatives. It continued to organise centralised campaigns such as "3•15 Consumer Rights Day", "5•15 National Investor Protection Publicity Day", and the "Banking Industry Financial Literacy Promotion Campaign". Through innovative, multi-level, multi-channel and diversified educational activities, the Bank integrated consumer protection knowledge into distinctive settings such as intangible cultural heritage tourism, sports and wellness under a "Finance+" cross-sector approach, attracting broader public participation. Meanwhile, it developed further high-quality educational content and launched more popular financial educational works that combine engaging storytelling with professional expertise, extending the reach and impact of financial literacy education. In addition, the Bank continued its "BOC Consumer Protection, Together Through the Four Seasons" programme, delivering targeted financial education tailored to the diverse financial literacy needs of key customer groups, including the elderly, the young and the new urban residents, as well as truck drivers, ride-hailing drivers, courier personnel, food delivery workers, and cross-border customers. Focusing on issues closely related to people's daily lives, such as age-friendly services, payment convenience, anti-fraud and illegal fund-raising prevention, these initiatives promoted financial literacy and responsible financial behaviour.

Deepening Employee Training on Consumer Protection

The Bank promptly communicated the latest laws, regulations and regulatory requirements to its employees as part of an ongoing commitment to improve their consumer protection awareness and service capabilities. In the first half of 2026, it organised the Consumer Protection Micro-case Development Training Programme and the Specialised Consumer Protection Training Programme. Through policy interpretation, reviews of representative case studies, risk awareness sessions and practical Q&A workshops, these programmes further improved the effectiveness of the Bank's consumer protection training. Consumer protection training continued to be embedded in professional training programmes across all business lines, with institutions at all levels organising targeted training tailored to different business scenarios. Participants included consumer protection personnel from Head Office departments, domestic branches, comprehensive operating companies and overseas branches, further strengthening consumer protection management across the Group and enhancing employees' awareness of their consumer protection responsibilities and professional capabilities.

Public Welfare and Volunteer Services

The Bank regards supporting public welfare as a key activity for putting into practice the political and people-centred nature of financial work, anchors its efforts in the core goal of serving national strategies and improving people's wellbeing, and undertakes a range of public welfare initiatives to spread positivity and fulfil its responsibilities as a major state-owned bank. In the first half of 2026, the Bank coordinated its domestic and overseas branches to plan and implement over 100 public welfare donation projects across a range of sectors, including rural revitalisation, education, science, culture, health, sports, environmental protection, emergency relief, and care for disadvantaged groups, with total voluntary donations exceeding RMB50 million. Around 28,400 young volunteers of the Bank carried out a total of over 1,000 volunteering programmes nationwide, serving over 477,000 person-times and recording almost 10,000 cumulative service hours. The Bank also continued to ensure the disbursement of government-sponsored student loans. As at 30 June 2026, it had cumulatively granted RMB31.246 billion in government-sponsored student loans, supporting over two million students from financially disadvantaged families to complete their studies. In partnership with the China Children and Teenagers' Fund, the Bank held the "BOC Charity Platform – Spring Bud Project" for the 12th consecutive year. As at 30 June 2026, the Bank had raised a total of over RMB26 million in donations from customers to support more than 8,000 students via the project. In the first half of 2026, the Bank leveraged its advantages in globalised services to support the worldwide implementation of the China International Culture Association's "Silk Road of Culture" programme, facilitate the China National Peking Opera Company's Brazil tour to mark "China-Brazil Cultural Year", and assist with the delivery of a summer camp in China for teachers and students from the Hungarian-Chinese Bilingual School in Hungary, thus injecting financial resources into the promotion of people-to-people exchanges between China and the rest of the world and enabling mutual learning between civilisations. Furthermore, the Bank carried out international public welfare efforts and provided disaster relief assistance, taking concrete actions to help build a community with a shared future for mankind.

For information on technology finance, pension finance and staff, among others, please refer to the relevant sections of this report.

Governance Responsibilities

For information on corporate governance, risk management and digital finance, among others, please refer to the relevant sections of this report.

Intensifying Efforts in Anti-Corruption and Building a Clean Bank

In the first half of 2026, the Bank continued to improve its mechanism for ensuring full and strict Party self-governance and resolutely tackled corruption. It established and refined a system of power checks and balances, enhanced supervision and took coordinated steps to uphold the principle of ensuring officials dare not, cannot and will not be corrupt. It resolutely dispelled the notion that financial professionals are an "exceptional, elite and special" group, and concurrently addressed issues of misconduct and corruption, while working tirelessly to eradicate the breeding grounds and conditions that give rise to corruption. The Bank systematically coordinated its anti-corruption efforts with the prevention and control of financial risks. It worked ceaselessly to address formalism, bureaucratism, hedonism and extravagance, and foster new practices. It made consistent and sustained efforts to improve conduct, guiding all cadres and staff to address misconduct, practice frugality and thrift, and promote fresh and healthy customs and practices. The Bank also strengthened disciplinary education by producing the warning and education film *Never Stop*, and utilised real-life examples from employees to deliver impactful educational messages, thereby fostering a sense of respect, vigilance and adherence to the bottom line.

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

Handling of Public Complaints and Proposals

The Bank attaches great importance to the handling of public complaints and proposals and strictly complies with the requirements set out in the *Management Measures of Bank of China for Handling Public Complaints and Proposals*. The Bank maintains accessible channels for receiving public complaints and proposals through correspondence, telephone, in-person visits, email, and other online and offline means, enabling the public to submit opinions, suggestions and requests through multiple channels. The Bank accepts complaints and proposals submitted by stakeholders on either a named or anonymous basis, fully safeguards proposers' privacy and lawful rights and interests, and strictly prohibits any form of retaliation. In the first half of 2026, the Bank thoroughly implemented the principles of ensuring the political and people-centred nature of financial services, while actively applying the "Fengqiao Experience" for the new era. The Bank adopted measures such as targeted resolution efforts, centralised case tracking and clear assignment of responsibilities. These efforts effectively facilitated the proper resolution of a number of public complaint cases, safeguarded the lawful rights and interests of the public, and contributed to a stable environment for the Bank's business operations and development.

Changes in Shares and Shareholdings of Shareholders

Ordinary Shares

Changes in Ordinary Shares

Unit: Share

	As at 1 January 2026		Increase/decrease during the reporting period					As at 30 June 2026	
	Number of shares	Percentage	Issuance of new shares	Bonus shares	Shares transferred from surplus reserve	Others	Subtotal	Number of shares	Percentage
I. Shares subject to selling restrictions	**27,824,620,573**	**8.64%**	**–**	**–**	**–**	**–**	**–**	**27,824,620,573**	**8.64%**
1. Shares held by the State	27,824,620,573	8.64%	–	–	–	–	–	27,824,620,573	8.64%
2. Shares held by the state-owned legal persons	–	–	–	–	–	–	–	–	–
3. Shares held by other domestic capital	–	–	–	–	–	–	–	–	–
4. Shares held by foreign capital	–	–	–	–	–	–	–	–	–
II. Shares not subject to selling restrictions	**294,387,791,241**	**91.36%**	**–**	**–**	**–**	**–**	**–**	**294,387,791,241**	**91.36%**
1. RMB-denominated ordinary shares	210,765,514,846	65.41%	–	–	–	–	–	210,765,514,846	65.41%
2. Overseas-listed foreign shares	83,622,276,395	25.95%	–	–	–	–	–	83,622,276,395	25.95%
III. Total ordinary shares	**322,212,411,814**	**100.00%**	**–**	**–**	**–**	**–**	**–**	**322,212,411,814**	**100.00%**

Notes:

1. As at 30 June 2026, the Bank had issued a total of 322,212,411,814 ordinary shares, including 238,590,135,419 A Shares and 83,622,276,395 H Shares.

2. As at 30 June 2026, 27,824,620,573 A Shares of the Bank were subject to selling restrictions, while the rest of the Bank's A Shares and all H Shares were not subject to selling restrictions.

Date of Listing and Trading of Shares Subject to Selling Restrictions

Unit: Share

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

Number of Ordinary Shareholders and Particulars of Shareholding

The number of ordinary shareholders as at 30 June 2026 was 602,182, including 447,299 holders of A Shares and 154,883 holders of H Shares.

The shareholdings of the top ten ordinary shareholders as at 30 June 2026 are set forth below:

Unit: Share

No.	Name of ordinary shareholder	Increase/ decrease during the reporting period	Number of shares held as at the end of the reporting period	Percentage of total ordinary shares	Number of shares subject to selling restrictions	Number of shares pledged, labelled or frozen	Type of shareholder	Type of ordinary shares
1	Huijin	–	188,791,906,533	58.59%	–	None	State	A
2	HKSCC Nominees Limited	13,249,256	81,869,642,774	25.41%	–	Unknown	Foreign legal person	H
3	MOF	–	27,824,620,573	8.64%	27,824,620,573	None	State	A
4	China Securities Finance Corporation Limited	–	7,941,164,885	2.46%	–	None	State-owned legal person	A
5	Central Huijin Asset Management Ltd.	–	1,810,024,500	0.56%	–	None	State-owned legal person	A
6	China Life Insurance Company Limited – Traditional – General Insurance Product – 005L – CT001SH	826,772,400	999,787,494	0.31%	–	None	Other	A
7	HKSCC Limited	(12,513,948)	878,444,139	0.27%	–	None	Foreign legal person	A
8	MUFG Bank, Ltd.	–	520,357,200	0.16%	–	Unknown	Foreign legal person	H
9	New China Life Insurance Company Ltd. – Traditional – General Insurance Product – 018L – CT001SH	9,042,340	167,090,761	0.05%	–	None	Other	A
10	PICC Life Insurance Company Limited – Traditional – General Insurance Product	123,778,186	162,571,285	0.05%	–	None	Other	A

Notes:

1. The number of shares held by HKSCC Nominees Limited represents the aggregate number of the Bank's H Shares it held as the nominee for all the institutional and individual investors that maintained accounts with it as at 30 June 2026.

2. With the approvals of the regulatory authorities, CITIC Financial AMC held 10,495,701,000 H Shares of the Bank through an agreement-based arrangement and increased its holdings of H Shares of the Bank via southbound trading under the Shanghai-Hong Kong Stock Connect. The aforementioned shares were registered in the name of HKSCC Nominees Limited. For details of the holdings of the Bank's H Shares by CITIC Financial AMC, please refer to the "Interests and Short Positions Held by Substantial Shareholders and Other Persons" section of this report. For details regarding CITIC Financial AMC's own circumstances, please refer to the "Information on Substantial Shareholders" section of this report and its official website. As at the end of the reporting period, CITIC Financial AMC had not pledged any of the Bank's shares.

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

4. Huijin holds 100% of the equity of Central Huijin Asset Management Ltd., 66.70% of the equity of China Securities Finance Corporation Limited, and 31.34% of the equity of New China Life Insurance Company Ltd. HKSCC Nominees Limited is a wholly-owned subsidiary of HKSCC Limited. Save as disclosed in this report, the Bank is not aware of any connected relation or concerted action among the top ten ordinary shareholders.

5. Except for holders of H Shares whose participation in margin trading, short-selling or refinancing business is unknown to the Bank, none of the Bank's top ten ordinary shareholders and the top ten ordinary shareholders not subject to selling restrictions as at 30 June 2026 had participated in such business.

6. Except as otherwise specified, the aforementioned statistics are sourced from the Bank's register of members as at 30 June 2026.

The shareholdings of the top ten ordinary shareholders not subject to selling restrictions as at 30 June 2026 are set forth below:

Unit: Share

Name of shareholder	Number of shares held not subject to selling restrictions	Type and number of shares	
		Type	Number
Huijin	188,791,906,533	A	188,791,906,533
HKSCC Nominees Limited	81,869,642,774	H	81,869,642,774
China Securities Finance Corporation Limited	7,941,164,885	A	7,941,164,885
Central Huijin Asset Management Ltd.	1,810,024,500	A	1,810,024,500
China Life Insurance Company Limited – Traditional – General Insurance Product – 005L – CT001SH	999,787,494	A	999,787,494
HKSCC Limited	878,444,139	A	878,444,139
MUFG Bank, Ltd.	520,357,200	H	520,357,200
New China Life Insurance Company Ltd. – Traditional – General Insurance Product – 018L – CT001SH	167,090,761	A	167,090,761
PICC Life Insurance Company Limited – Traditional – General Insurance Product	162,571,285	A	162,571,285
China Life Insurance Company Limited – Participating – Individual Participating – 005L – FH002SH	161,300,150	A	161,300,150

The shareholdings of the top ten ordinary shareholders subject to selling restrictions as at 30 June 2026 are set forth below:

Unit: Share

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

Information on Substantial Shareholders

For information on the shareholdings of Huijin, the MOF, and CITIC Financial AMC as of 30 June 2026, please refer to the sections "Number of Ordinary Shareholders and Particulars of Shareholding" and "Interests and Short Positions Held by Substantial Shareholders and Other Persons". During the reporting period, the Bank's controlling shareholder remained unchanged.

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

Huijin

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

MOF

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

Other Substantial Shareholders under Regulatory Standards

CITIC Financial AMC

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

Nomination of Directors by the Bank's Substantial Shareholders

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

Interests and Short Positions Held by Substantial Shareholders and Other Persons

The register maintained by the Bank under Section 336 of the SFO recorded that, as at 30 June 2026, the persons indicated in the following table held interests or short positions in shares of the Bank (as defined in the SFO):

Name of shareholder	Capacity (types of interest)	Number of shares held/ Number of underlying shares (unit: share)	Type of shares	Percentage of total issued A Shares	Percentage of total issued H Shares	Percentage of total issued ordinary shares
Huijin	Beneficial owner	188,791,906,533	A	79.13%	–	58.59%
	Interest of controlled corporations	9,751,189,385	A	4.09%	–	3.03%
	Total	198,543,095,918	A	83.22%	–	61.62%
MOF	Beneficial owner	27,824,620,573	A	11.66%	–	8.64%
BlackRock, Inc.	Interest of controlled corporations	4,931,398,612	H	–	5.90%	1.53%
		10,789,000(S)	H	–	0.01%	0.003%
CITIC Financial AMC	Beneficial owner	15,888,513,000	H	–	19.00%	4.93%
CITIC Securities Company Limited	Beneficial owner	16,966,048	H	–	0.02%	0.01%
		771,000(S)	H	–	0.001%	0.0002%
	Investment manager	6,414,431,000	H	–	7.67%	1.99%
	Interest of controlled corporations	35,003,000	H	–	0.04%	0.01%
	Total	6,466,400,048	H	–	7.73%	2.01%
		771,000(S)	H	–	0.001%	0.0002%
CITIC Securities Asset Management Company Limited	Trustee	5,890,062,000	H	–	7.04%	1.83%
CITIC Securities Asset Management – No.3 Single Asset Management Scheme	Other	5,909,466,000	H	–	7.07%	1.83%

Notes:

1. BlackRock, Inc. held a long position of 4,931,398,612 H Shares and a short position of 10,789,000 H Shares of the Bank through BlackRock Finance, Inc. and other corporations controlled by it. In the long position of 4,931,398,612 H Shares, 142,891,000 H Shares were held through derivatives. In the short position of 10,789,000 H Shares, 7,256,000 H Shares were held through derivatives.

2. CITIC Financial AMC, as a beneficial owner, held a long position of 15,888,513,000 H Shares of the Bank.

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

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

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

6. (S) denotes short position.

7. Unless stated otherwise, all interests stated above represented long positions. Save as disclosed above, as at 30 June 2026, no other interests (including derivative interests) or short positions were recorded in the register maintained by the Bank under Section 336 of the SFO.

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

Preference Shares

Number of Preference Shareholders and Particulars of Shareholding

The number of preference shareholders as at 30 June 2026 was 112, and all of them were domestic preference shareholders.

The top ten preference shareholders as at 30 June 2026 are set forth below:

Unit: Share

No.	Name of preference shareholder	Increase/ decrease during the reporting period	Number of shares held as at the end of the reporting period	Percentage of total preference shares	Number of shares pledged or frozen	Type of shareholder	Type of preference shares
1	China Credit Trust Co., Ltd. – China Credit Trust – Baofu No.2 Collective Capital Trust Fund	–	73,383,300	7.34%	None	Other	Domestic Preference Shares
2	China Life Insurance Company Limited – Traditional – General Insurance Product – 005L – CT001SH	–	70,000,000	7.00%	None	Other	Domestic Preference Shares
3	Hwabao Trust Co., Ltd. – Hwabao Trust – Multi-strategy Youying No.1 Securities Investment Collective Capital Trust Fund	–	59,300,000	5.93%	None	Other	Domestic Preference Shares
4	Jiangsu International Trust Corporation Limited – JSITC – Multi-strategy Youxuan No.2 Collective Capital Trust Fund	–	56,000,000	5.60%	None	Other	Domestic Preference Shares
5	Hwabao Trust Co., Ltd. – Hwabao Trust – Multi-strategy Youying No.10 Securities Investment Collective Capital Trust Fund	–	42,460,000	4.25%	None	Other	Domestic Preference Shares
6	China Credit Trust Co., Ltd. – China Credit Trust – Baofu No.22 Collective Capital Trust Fund	–	34,358,700	3.44%	None	Other	Domestic Preference Shares
7	CCB Trust Co., Ltd. – CCB Trust – Anxin Strategy No.1 Collective Capital Trust Fund	–	33,000,000	3.30%	None	Other	Domestic Preference Shares
8	Ping An Life Insurance Company of China – Universal – Individual Universal Insurance	–	30,000,000	3.00%	None	Other	Domestic Preference Shares
8	Shanghai Tobacco Group Co., Ltd.	–	30,000,000	3.00%	None	State-owned legal person	Domestic Preference Shares
10	China Credit Trust Co., Ltd. – China Credit Trust – Baofu No.12 Collective Capital Trust Fund	–	25,758,000	2.58%	None	Other	Domestic Preference Shares

Notes:

1. China Credit Trust Co., Ltd. – China Credit Trust – Baofu No.2 Collective Capital Trust Fund, China Credit Trust Co., Ltd. – China Credit Trust – Baofu No.22 Collective Capital Trust Fund, and China Credit Trust Co., Ltd. – China Credit Trust – Baofu No.12 Collective Capital Trust Fund are managed by China Credit Trust Co., Ltd. Hwabao Trust Co., Ltd. – Hwabao Trust – Multi-strategy Youying No.1 Securities Investment Collective Capital Trust Fund and Hwabao Trust Co., Ltd. – Hwabao Trust – Multi-strategy Youying No.10 Securities Investment Collective Capital Trust Fund are managed by Hwabao Trust Co., Ltd.

2. As at 30 June 2026, China Life Insurance Company Limited – Traditional – General Insurance Product – 005L – CT001SH was one of the top ten ordinary shareholders and top ten preference shareholders of the Bank.

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

Exercising Redemption Rights of Preference Shares

During the reporting period, there was no redemption of the preference shares of the Bank.

Other Information regarding Preference Shares

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

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

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

Directors, Senior Management Members and Staff

Directors and Senior Management Members

Directors

Name	Position	Name	Position
GE Haijiao	Chairman and Executive Director	LOU Xiaohui	Non-executive Director
ZHANG Hui	Vice Chairman, Executive Director, President, and concurrently Chief Compliance Officer	LI Zimin	Non-executive Director
LIU Jin	Executive Director	Jean-Louis EKRA	Independent Director
CAI Zhao	Executive Director and Executive Vice President	Giovanni TRIA	Independent Director
ZHANG Yong	Non-executive Director	LIU Xiaolei	Independent Director
HUANG Binghua	Non-executive Director	ZHANG Ran	Independent Director
LIU Hui	Non-executive Director	KO Margaret	Independent Director
SHI Yongyan	Non-executive Director	WOO Chin Wan Raymond	Independent Director

Notes:

1. The information listed in the above table pertains to the incumbent directors of the Bank.
2. During the reporting period, no incumbent director held any share of the Bank.

Senior Management Members

Name	Position	Name	Position
ZHANG Hui	Vice Chairman, Executive Director, President, and concurrently Chief Compliance Officer	YANG Jun	Executive Vice President
CAI Zhao	Executive Director and Executive Vice President	LIU Chenggang	Executive Vice President, and concurrently Secretary to the Board of Directors and Company Secretary
WU Jian	Executive Vice President	HUANG Xueling	Executive Vice President

Notes:

1. The information listed in the above table pertains to the incumbent Senior Management members of the Bank.
2. Ms. ZHAO Rong ceased to serve as Chief Risk Officer of the Bank as of 6 January 2026 due to job change.
3. Mr. ZHANG Hui began to concurrently serve as Chief Compliance Officer of the Bank as of 13 February 2026.
4. Ms. HUANG Xueling began to serve as Executive Vice President of the Bank as of 27 March 2026.
5. During the reporting period, no incumbent Senior Management member or Senior Management member who left office during the reporting period held any share of the Bank.

Organisational Management, Human Resources Development and Management

Organisational Management

As at the end of June, the Bank had a total of 11,441 institutions worldwide, including 10,909 institutions in the Chinese mainland and 532 institutions in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions. Its commercial banking business in the Chinese mainland (including Head Office, tier-1 branches, direct branches, tier-2 branches and outlets) comprised 10,249 institutions, including 38 tier-1 and direct branches, 376 tier-2 branches and 9,834 outlets. The geographic distribution of the institutions and employees of the Bank is set forth below:

Unit: RMB million/unit/person, except percentages

Items	Assets		Institutions		Employees	
	Total assets	% of total	Number of institutions	% of total	Number of employees	% of total
Northern China	12,726,525	30.16%	2,135	18.66%	67,794	21.81%
Northeastern China	1,298,907	3.08%	876	7.66%	22,557	7.26%
Eastern China	9,253,678	21.93%	3,457	30.22%	91,243	29.35%
Central and Southern China	6,789,209	16.09%	2,736	23.91%	65,916	21.20%
Western China	2,972,136	7.04%	1,705	14.90%	37,664	12.11%
Hong Kong (China), Macao (China) and Taiwan (China)	6,141,659	14.56%	388	3.39%	18,815	6.05%
Other countries and regions	3,010,217	7.14%	144	1.26%	6,909	2.22%
Elimination	(2,005,980)					
Total	**40,186,351**	**100.00%**	**11,441**	**100.00%**	**310,898**	**100.00%**

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

Human Resources Development and Management

As at the end of June, the Bank had 310,898 employees. There were 285,174 employees in the Chinese mainland, of which 272,024 worked in the Bank's commercial banking business in the Chinese mainland (including Head Office, tier-1 branches, direct branches, tier-2 branches and outlets). The Bank had 25,724 employees in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions. As at the end of June, the Bank bore costs for a total of 3,973 retirees.

Focusing on the goal of building China into a financial powerhouse, the Bank remained committed to building a qualified and specialised team of financial talents who are politically upright, professionally competent and strictly disciplined in conduct. To support its global presence, the Bank further advanced the development of a global talent team, strengthened the overseas experience and exchange for employees of Head Office departments, and enhanced the reserve and capability building of employees dispatched to overseas institutions, while placing emphasis on the recruitment, development and deployment of local talents. In fulfilling its social responsibilities and supporting employment stability, the Bank firmly implemented the employment-first strategy and carried out its spring campus recruitment in an orderly manner, contributing to national efforts to stabilise employment. As at the end of June, there had been no material changes to the Bank's employee remuneration policies from those disclosed in its 2025 Annual Report.

The Bank systematically carried out political training and role-specific capability development programmes. It delivered targeted training on the financial chapter of Xi Jinping Thought on Economy at different levels, fully implemented foundational training requirements, and launched education programmes for establishing and practising a correct understanding of what it means to perform well. The Bank implemented key training programmes focusing on areas such as the "five major tasks" of promoting technology finance, green finance, inclusive finance, pension finance and digital finance, the promotion of high-standard opening-up, and the prevention and mitigation of financial risks. It strengthened top-level planning and coordinated management, further refined its education and training framework, boosted the development and sharing of training resources, and elevated the relevance and effectiveness of education and training across the Bank.

Corporate Governance

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

During the reporting period, the Bank further improved its corporate governance mechanisms, continuously tracked and implemented capital market and industry regulatory requirements, proactively conducted reviews and self-inspections of its corporate governance rules, and carried out a comprehensive and systematic review of the *Rules for Independent Directors*, the *Working Rules of Board Secretary*, and other related documents.

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

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

Corporate Governance Compliance

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

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

Shareholders' Meeting

During the reporting period, the Bank held one annual general meeting and one extraordinary general meeting, which considered and approved the work report of the Board of Directors, the profit distribution plan, the engagement of the Bank's external auditor, and the Bank's financial bond issuance limit, among others. The aforementioned Shareholders' Meetings were convened and held in strict compliance with relevant laws and regulations as well as the Articles of Association. The Bank's directors and Senior Management members were present at the meetings and communicated with shareholders on issues of concern.

For details, please refer to the Bank's relevant announcements published on the websites of the SSE, the HKEX and the Bank.

Directors and the Board of Directors

Currently, the Board of Directors comprises 16 members. Besides the Chairman, there are 3 executive directors, 6 non-executive directors and 6 independent directors. The proportion of independent directors exceeds one-third of the total number of directors, which is in compliance with the Articles of Association and the relevant regulatory provisions. The positions of Chairman of the Board of Directors and President of the Bank are assumed by two persons.

Save as disclosed in this report, to the best knowledge of the Bank, information regarding the Bank's directors including their appointments during the reporting period is the same as that disclosed in the 2025 Annual Report of the Bank.

During the reporting period, the Bank convened five on-site meetings of the Board of Directors. At these meetings, the Board of Directors mainly reviewed the Proposal on the 2025 Annual Report of Bank of China Limited, Proposal on the Work Report of the Board of Directors of Bank of China Limited for 2025, Proposal on the Report on Internal Control Assessment of Bank of China Limited for 2025, Proposal on the 2025 Sustainability Report of Bank of China Limited, Proposal on the Re-engagement & Fees of External Auditors of Bank of China Limited for 2026, and Proposal on Year 2026-2027 Financial Bond Issuance Limit and Issuance Plan of Bank of China, among others.

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

Special Committees	**Work Performance**
Strategic Development Committee	The committee held three on-site meetings. At these meetings, it reviewed the Proposal on the Business Plan of Bank of China for 2026, Proposal on the Fixed Asset Investment Budget of Bank of China for 2026, Proposal on the Profit Distribution Plan of Bank of China Limited for 2025, Proposal on the Dividend Distribution Plan of Preference Shares of Bank of China, Proposal on Year 2026-2027 Financial Bond Issuance Limit and Issuance Plan of Bank of China, and Proposal on Arrangement for Outbound Donation Limit of Bank of China for 2026, among others.
Sustainable Development and Consumer Protection Committee	The committee held two on-site meetings. At these meetings, it reviewed the Proposal on the 2025 Sustainability Report of Bank of China Limited, Proposal on the Report on Green Finance Development for 2025 and Work Plan for 2026 of Bank of China Limited, Proposal on the 2025 Work Summary of and 2026 Work Plan for Consumer Protection of Bank of China, Proposal on the Report on Complaint Management of Bank of China in 2025, Proposal on the Report on the Findings in the Consumer Protection Audit and the Following Remediation of Bank of China Limited for 2025, and Proposal on the Report on Internal Assessment Results for Consumer Protection of Bank of China Limited for 2025, among others.
Audit Committee	The committee held four on-site meetings and one meeting via written resolution. At these meetings, the committee reviewed and approved Proposal on the 2026 Internal Audit Plan and Financial Budget of Bank of China, Proposal on the Performance Evaluation of the Board of Directors, the Senior Management, and Their Members for 2025, among others. It reviewed the Proposal on the Internal Audit Report of Bank of China for 2025, Proposal on the Re-engagement & Fees of External Auditors of Bank of China for 2026, Proposal on 2025 Financial Statements of Bank of China Limited, Proposal on 2026 First Quarter Report and Disclosure of Bank of China Limited, Proposal on the Report on Internal Control Assessment of Bank of China for 2025, and Proposal on Ernst & Young's Audit Plan for 2026, among others.

Special Committees	Work Performance
Risk Policy Committee	The committee held four on-site meetings and one meeting via written resolution. At these meetings, it reviewed the Proposal on Risk Appetite Statement of Bank of China (Revised in 2026), Proposal on the Pillar 3 Disclosure Report of Bank of China Limited for 2025, Proposal on the Report on the Comprehensive Risk of BOC Group for 2025, Proposal on the Methodology of Bank of China for the Domestic ECL Model (Revised in 2026), and Proposal on Optimization of the ECL Model and ECL Model Key Parameters Update for the First Half of 2026 of Bank of China Limited, among others.
Nomination and Remuneration Committee	The committee held four on-site meetings. At these meetings, it reviewed the Proposal on the Concurrent Appointment of Mr. ZHANG Hui as Chief Compliance Officer of the Bank, Proposal on the Appointment of Ms. HUANG Xueling as Executive Vice President of the Bank, Proposal on Renewal of Directors' and Officers' Liability Insurance for 2026-2027 of Bank of China, Proposal on Nomination of Mr. GE Haijiao to be Re-appointed as Executive Director of the Bank and Re-election of Him to Hold Current Posts on the Board of Directors of the Bank, and Proposals on Nomination of Mr. ZHANG Yong, Mr. LIU Hui, and Mr. SHI Yongyan to be Re-appointed as Non-executive Directors and Continue to Hold Current Posts in Special Committees of the Board of Directors of the Bank, among others.
Connected Transactions Control Committee	The committee held two on-site meetings. At these meetings, it reviewed the Proposal on the Report on the Management of Connected Transactions of Bank of China Limited for 2025, and Proposal of Bank of China Limited on Signing Unified Transaction Agreements with Bank of China (Hong Kong) Limited et al as Connected Parties, among others.

Senior Management

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

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

During the reporting period, the Senior Management comprised the Asset and Liability Management Committee, the Enterprise Risk Management Committee (which governed the Credit Risk Management and Decision-making Committee, the Asset Disposal Committee and the Securities Investment and Management Committee), the Internal Control and Compliance Committee (which governed the Anti-money Laundering Committee and the Related Party Transactions Management Office), the Centralised Procurement Management Committee, the Asset Management Business Committee, the Consumer Protection Committee, the Technology Finance Committee, the Green Finance Committee, the Inclusive Finance Committee, the Pension Finance Committee, and the Digital Finance Committee. All of the committees diligently fulfilled their duties and responsibilities as per the powers specified in their committee charters, and pushed forward the sound development of the Bank's various operations.

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

The Bank actively implemented the *Several Opinions on Strengthening Regulation, Preventing Risks and Promoting the High-quality Development of the Capital Market* issued by the State Council and the *Regulatory Guidelines No. 10 of Listed Companies – Market Value Management* issued by the CSRC, responded to the *Initiative to SSE-listed Companies to Launch Special Action of "Improving Quality, Enhancing Efficiency and Focusing on Returns"* proposed by the SSE, and earnestly carried out its market value management measures and plan for enhancing valuation and improving quality, efficiency and returns. Building on corporate quality improvement, the Bank focused on prudent operations and adhered to high-quality development. It remained fully committed to serving national strategies and social wellbeing, continuously enhancing its operational efficiency and value creation capabilities, accelerating efforts to improve its global presence and international competitiveness, and effectively balancing development with security (please refer to the "Management Discussion and Analysis" section for details). The Bank remained dedicated to creating value for its shareholders and attached great importance to investor returns. Following the introduction of interim dividend distribution starting in 2024, it offered holders of H Shares an RMB option to receive dividends for the first time in 2025, which provided investors with greater flexibility in dividend currencies and a more convenient service, and facilitated the international use of RMB. The Bank efficiently completed the distributions of the 2025 interim and final dividends, allowing investors to share in the Bank's operating results in a timely manner and further enhancing investors' sense of gain. Aiming to improve information disclosure quality and efficiency, the Bank made sustained efforts to enhance the transparency, pertinence and effectiveness of its information disclosure and ensure that its information disclosure is authentic, accurate, complete, timely and fair. It continuously developed its investor relations management mechanisms, closely monitored market developments and market value-related indicators, established a professional team for results analysis and presentations, and made careful preparations for regular results release briefings. The Bank proactively conducted multi-level, multi-channel investor communication activities, and responded professionally to inquiries from channels such as its investor hotline, email and the "SSE e-interaction online platform", thereby enhancing investors' understanding and recognition of the Bank's investment value.

Formulation and Implementation of Profit Distribution Policy

Ordinary Shares

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

The formulation and implementation of the aforementioned profit distribution policy were in line with the provisions of the Articles of Association and the requirements of the resolutions of the Shareholders' Meeting. The criterion and ratio of the dividend were explicit and clear, and the decision procedure was complete. The independent directors fully expressed their opinions and the legitimate rights and interests of minority shareholders were fully respected and protected.

The Board of Directors of the Bank has recommended an interim dividend on ordinary shares for 2026 of RMB1.190 per 10 shares (before tax), subject to the approval of the Shareholders' Meeting. If approved, the 2026 interim dividend on the Bank's ordinary shares will be denominated and declared in RMB and paid in RMB or equivalent HKD, and holders of H Shares are provided with the option of dividend distribution in RMB. Holders of H Shares have the right to choose to receive the 2026 interim dividend on ordinary shares of H Shares in RMB or HKD in whole (HKSCC Nominees Limited may choose to receive the interim dividend of H Shares in whole or in part). The actual amount distributed in HKD will be calculated according to the average of reference exchange rates of RMB to HKD (announced by China Foreign Exchange Trade System at 11:00 every day) during the five working days before the date when shareholders begin to choose a currency (the date itself excluded). The Bank will distribute the dividend on ordinary shares within two months after the profit distribution plan has been considered and approved by the Shareholders' Meeting. For details including the record date, the period for closure of the register of members of H Shares, the specific payment date, and the relevant taxation and tax relief arrangements in relation to the payment of the 2026 interim dividend on ordinary shares, please refer to the relevant announcements to be published by the Bank in due course.

As considered and approved by the 2025 Annual General Meeting, the Bank distributed the 2025 final dividend of RMB1.169 per 10 shares (before tax) to ordinary shareholders, amounting to approximately RMB37.667 billion (before tax) in total. The dividend distribution plan has been completed. The Bank did not propose any capitalisation of capital reserve into share capital.

As considered and approved by the 2025 Fourth Extraordinary General Meeting, the Bank distributed the 2025 interim dividend of RMB1.094 per 10 shares (before tax) to ordinary shareholders, amounting to approximately RMB35.250 billion (before tax) in total. The dividend distribution plan has been completed.

Preference Shares

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

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

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

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

The 2026 fourth meeting of the Board of Directors of the Bank considered the dividend distribution plans for Domestic Preference Shares (Third Tranche and Fourth Tranche), approving the Bank to distribute a total of RMB2.5404 billion (before tax) of dividends on the Domestic Preference Shares (Third Tranche) on 29 June 2026, with an annual dividend rate of 3.48% (before tax); and to distribute a total of RMB882.9 million (before tax) of dividends on the Domestic Preference Shares (Fourth Tranche) on 31 August 2026, with an annual dividend rate of 3.27% (before tax). The dividend distribution plan for the Third Tranche has been completed.

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

Implementation of Stock Incentive Plan and Employee Stock Ownership Plan

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

Significant Events

Purchase and Sale of Material Assets

During the reporting period, the Bank did not undertake any purchase or sale of material assets.

Material Litigation and Arbitration

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

Significant Connected Transactions

On 13 February 2026, pursuant to the *Administrative Measures for Connected Transactions of Banking and Insurance Institutions* issued by the NFRA, the Board of Directors of the Bank approved the renewal of a unified transaction agreement with seven related parties including BOCHK, for a term of three years. During the first half of 2026, the Bank completed the signing of agreements with three related parties, namely BOCHK, Bank of China (Macau) Co., Ltd., and Bank of China (Malaysia) Berhad.

On 19 December 2025, pursuant to the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange*, the Board of Directors of the Bank approved a consolidated ceiling for connected transactions between the Bank and CITIC Financial AMC and China CITIC Financial AMC International Holdings Limited for 2026, amounting to RMB73.460 billion. During the first half of 2026, the Bank conducted credit transactions of RMB20.200 billion, service transactions of RMB0.4453 million, deposit transactions of RMB7.7070 million and no other transactions. All such transactions were conducted in the ordinary and usual course of business of the Bank, on normal commercial terms and on terms no more favourable than those offered to non-connected parties for comparable transactions. The transaction prices were determined with reference to prevailing market prices at the time the transactions were made. Such transactions did not prejudice the interests of the Bank or its shareholders and had no material impact on the Bank's operating results or financial position.

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

Major Contracts and Enforcement thereof

Material Custody, Sub-contracts and Leases

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

Material Guarantee Business

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

The Bank's guarantee business principally comprises letters of guarantee. For details of the outstanding amount of letters of guarantee issued by the Bank as at 30 June 2026, please refer to Note III. 29 to the Condensed Consolidated Interim Financial Statements.

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

Other Major Contracts

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

Undertakings

As at the end of the reporting period, Huijin, the MOF, and the directors and Senior Management members of the Bank had not committed any breach of their undertakings, and there were no expired undertakings that had not been duly fulfilled. During the reporting period, there were no undertakings that had been duly fulfilled.

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

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

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

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

Use of Raised Funds

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

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

Purchase, Sale or Redemption of the Bank's Shares

During the reporting period, neither the Bank nor any of its subsidiaries purchased, sold, or redeemed any of the Bank's shares.

Review of Interim Financial Report

The Audit Committee of the Board of Directors of the Bank has reviewed the financial report of the 2026 Interim Report of the Bank. The external auditor of the Bank has reviewed the 2026 interim financial report of the Bank in accordance with the *International Standard on Review Engagements 2410*. The Audit Committee has considered the 2026 interim financial report of the Bank in light of accounting standards, accounting policies and practices, internal control and financial information.

Appointment of External Auditors

The Bank has decided to engage Ernst & Young Hua Ming LLP as its domestic auditor and external auditor for internal control audit for 2026 to provide auditing services for the Bank's financial statements and internal control in accordance with Chinese Standards on Auditing. The Bank has decided to engage Ernst & Young as its international auditor for 2026 to provide auditing services for the Bank's financial statements in accordance with International Standards on Auditing.

Directors' Rights to Acquire Shares

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

Directors' Interests in Shares, Underlying Shares and Debentures

To the best knowledge of the Bank, as at 30 June 2026, the independent director of the Bank, Mr. WOO Chin Wan Raymond and his spouse, through a joint account, hold 150,000 shares (long position) in BOCHK (Holdings), and are therefore deemed to be interested in the shares of the associated corporations of the Bank (within the meaning of Part XV of the SFO).

Save as disclosed above, as at 30 June 2026, none of the other directors of the Bank or their respective associates had any interests or short positions in the shares, underlying shares, or debentures of the Bank or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Bank pursuant to Section 352 of the SFO or as otherwise notified to the Bank and the Hong Kong Stock Exchange pursuant to the *Model Code for Securities Transactions by Directors of Listed Issuers* (the "*Model Code*") as set out in Appendix C3 to the Hong Kong Listing Rules.

Securities Transactions by Directors

Pursuant to domestic and overseas securities regulatory requirements, the Bank formulated and implemented the *Management Rules on the Securities Transactions by Directors and Senior Management Personnel of Bank of China Limited* (the "*Management Rules*") to govern securities transactions by the directors and Senior Management members of the Bank. The terms of the *Management Rules* have adopted the mandatory standards set out in the *Model Code* contained in Appendix C3 to the Hong Kong Listing Rules. All directors of the Bank confirmed that they had complied with the standards set out in both the *Management Rules* and the *Model Code* throughout the reporting period.

Integrity of the Bank and its Controlling Shareholder

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

Other Events

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

Interim Report

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

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

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

Introduction

We have reviewed the interim financial information set out on pages 117 to 241, which comprises the condensed consolidated interim statement of financial position of Bank of China Limited (the "Bank") and its subsidiaries (the "Group") as at 30 June 2026 and the related condensed consolidated interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and the notes to the condensed consolidated interim financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") as issued by the International Accounting Standards Board. The directors of the Bank are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

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

Conclusion

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

Ernst & Young
Certified Public Accountants

Hong Kong
28 August 2026

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

For the six-month period ended 30 June 2026 (Amounts in millions of Renminbi, unless otherwise stated)

		Six-month period ended 30 June	
	Note	2026 Unaudited	2025 Unaudited
Interest income	III.1	496,135	503,331
Interest expense	III.1	(259,402)	(288,515)
Net interest income		**236,733**	**214,816**
Fee and commission income	III.2	54,074	53,109
Fee and commission expense	III.2	(6,865)	(6,318)
Net fee and commission income		**47,209**	**46,791**
Net trading gains	III.3	16,545	28,188
Net gains on transfers of financial assets	III.4	13,550	4,841
Other operating income	III.5	43,076	34,782
Operating income		**357,113**	**329,418**
Operating expenses	III.6	(126,678)	(119,496)
Credit impairment losses	III.8	(68,107)	(56,517)
Impairment losses on other assets		31	(985)
Operating profit		**162,359**	**152,420**
Share of results of associates and joint ventures		560	598
Profit before income tax		**162,919**	**153,018**
Income tax expense	III.9	(30,888)	(26,880)
Profit for the period		**132,031**	**126,138**
Attributable to:			
Equity holders of the Bank		123,594	117,591
Non-controlling interests		8,437	8,547
		132,031	**126,138**
Earnings per share (in RMB)	III.10		
— Basic		0.36	0.36
— Diluted		0.36	0.36

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six-month period ended 30 June 2026 (Amounts in millions of Renminbi, unless otherwise stated)

	Note	Six-month period ended 30 June 2026 Unaudited	Six-month period ended 30 June 2025 Unaudited
Profit for the period		**132,031**	**126,138**
Other comprehensive income:	III.11		
Items that will not be reclassified to profit or loss			
— Actuarial (losses)/gains on defined benefit plans		(36)	14
— Changes in fair value on equity instruments designated at fair value through other comprehensive income		(5,839)	(532)
— Other		(122)	(17)
Subtotal		(5,997)	(535)
Items that may be reclassified to profit or loss			
— Changes in fair value on debt instruments measured at fair value through other comprehensive income		1,093	(1,275)
— Allowance for credit losses on debt instruments measured at fair value through other comprehensive income		(160)	(1,567)
— Finance expenses from insurance contracts issued		(1,209)	(3,418)
— Exchange differences from the translation of foreign operations		(22,093)	430
— Other		306	273
Subtotal		(22,063)	(5,557)
Other comprehensive income for the period, net of tax		**(28,060)**	**(6,092)**
Total comprehensive income for the period		**103,971**	**120,046**
Total comprehensive income attributable to:			
Equity holders of the Bank		102,374	112,117
Non-controlling interests		1,597	7,929
		103,971	**120,046**

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2026 (Amounts in millions of Renminbi, unless otherwise stated)

	Note	As at 30 June 2026 Unaudited	As at 31 December 2025 Audited
ASSETS			
Cash and due from banks and other financial institutions	III.12	601,591	577,545
Balances with central banks	III.13	2,415,706	2,467,104
Placements with and loans to banks and other financial institutions	III.14	1,167,067	1,498,427
Government certificates of indebtedness for bank notes issued		230,036	230,240
Precious metals		336,240	305,698
Derivative financial assets	III.15	152,744	132,841
Loans and advances to customers, net	III.16	24,135,224	22,876,769
Financial investments	III.17	10,481,316	9,659,610
— Financial assets at fair value through profit or loss		835,721	757,713
— Financial assets at fair value through other comprehensive income		4,807,807	4,630,814
— Financial assets at amortised cost		4,837,788	4,271,083
Investments in associates and joint ventures		39,725	41,074
Property and equipment	III.18	238,078	231,955
Construction in progress	III.19	26,456	25,294
Investment properties	III.20	25,469	23,957
Deferred income tax assets	III.25	74,186	82,107
Other assets	III.21	262,513	205,455
Total assets		**40,186,351**	**38,358,076**

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (Continued)
As at 30 June 2026 (Amounts in millions of Renminbi, unless otherwise stated)

	Note	As at 30 June 2026 Unaudited	As at 31 December 2025 Audited
LIABILITIES			
Due to banks and other financial institutions		4,068,002	3,187,303
Due to central banks		1,686,959	1,734,055
Bank notes in circulation		229,894	230,111
Placements from banks and other financial institutions		842,253	553,686
Financial liabilities held for trading	III.22	51,241	79,717
Derivative financial liabilities	III.15	130,500	131,022
Due to customers	III.23	26,825,763	26,182,431
Bonds issued	III.24	2,262,443	2,294,688
Other borrowings		63,322	54,545
Current tax liabilities		34,358	32,609
Retirement benefit obligations		1,459	1,479
Deferred income tax liabilities	III.25	10,577	10,379
Other liabilities	III.26	739,196	657,927
Total liabilities		**36,945,967**	**35,149,952**
EQUITY			
Capital and reserves attributable to equity holders of the Bank			
Share capital	III.27.1	322,212	322,212
Other equity instruments	III.27.2	349,964	369,953
— Preference shares		99,969	99,969
— Perpetual bonds		249,995	269,984
Capital reserve	III.27.3	272,466	272,304
Other comprehensive income	III.11	38,645	59,834
Statutory reserves		302,923	302,179
General and regulatory reserves		455,277	455,118
Undistributed profits		1,359,168	1,282,444
		3,100,655	**3,064,044**
Non-controlling interests		**139,729**	**144,080**
Total equity		**3,240,384**	**3,208,124**
Total equity and liabilities		**40,186,351**	**38,358,076**

Approved and authorised for issue by the Board of Directors on 28 August 2026.

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

GE Haijiao	**ZHANG Hui**
Director	*Director*

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 30 June 2026 (Amounts in millions of Renminbi, unless otherwise stated)

		Attributable to equity holders of the Bank									
			Other equity instruments								
	Note	Share capital	Preference shares	Perpetual bonds	Capital reserve	Other comprehensive income	Statutory reserves	General and regulatory reserves	Undistributed profits	Non-controlling interests	Total
As at 1 January 2026		322,212	99,969	269,984	272,304	59,834	302,179	455,118	1,282,444	144,080	3,208,124
Total comprehensive income		–	–	–	–	(21,220)	–	–	123,594	1,597	103,971
Capital contribution and reduction by other equity instruments holders	III.27.2	–	–	(19,989)	(13)	–	–	–	–	–	(20,002)
Capital reduction by non-controlling shareholders		–	–	–	112	–	–	–	–	(503)	(391)
Appropriation to statutory reserves		–	–	–	–	–	744	–	(744)	–	–
Appropriation to general and regulatory reserves		–	–	–	–	–	–	159	(159)	–	–
Dividends	III.28	–	–	–	–	–	–	–	(45,936)	(5,608)	(51,544)
Other comprehensive income transferred to retained earnings		–	–	–	–	31	–	–	(31)	–	–
Other		–	–	–	63	–	–	–	–	163	226
As at 30 June 2026 (Unaudited)		322,212	99,969	249,995	272,466	38,645	302,923	455,277	1,359,168	139,729	3,240,384

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (Continued)

For the six-month period ended 30 June 2026 (Amounts in millions of Renminbi, unless otherwise stated)

	Attributable to equity holders of the Bank									
		Other equity instruments								
	Share capital	Preference shares	Perpetual bonds	Capital reserve	Other comprehensive income	Statutory reserves	General and regulatory reserves	Undistributed profits	Non-controlling interests	Total
As at 1 January 2025	294,388	119,550	289,963	135,768	95,268	279,006	414,638	1,187,650	136,733	2,952,964
Total comprehensive income	–	–	–	–	(5,474)	–	–	117,591	7,929	120,046
Issue of shares	27,824	–	–	137,128	–	–	–	–	–	164,952
Capital reduction by other equity instruments holders	–	(19,581)	(39,990)	(659)	–	–	–	–	–	(60,230)
Acquisition of subsidiaries	–	–	–	–	–	–	–	–	91	91
Capital contribution and reduction by non-controlling shareholders	–	–	–	(5)	–	–	–	–	(286)	(291)
Appropriation to statutory reserves	–	–	–	–	–	573	–	(573)	–	–
Appropriation to general and regulatory reserves	–	–	–	–	–	–	(104)	104	–	–
Dividends	–	–	–	–	–	–	–	(45,508)	(6,404)	(51,912)
Other comprehensive income transferred to retained earnings	–	–	–	–	(475)	–	–	475	–	–
Other	–	–	–	33	–	–	–	–	12	45
As at 30 June 2025 (Unaudited)	322,212	99,969	249,973	272,265	89,319	279,579	414,534	1,259,739	138,075	3,125,665
Total comprehensive income	–	–	–	–	(29,652)	–	–	125,430	5,516	101,294
Capital contribution and reduction by other equity instruments holders	–	–	20,011	(17)	–	–	–	–	–	19,994
Capital contribution and reduction by non-controlling shareholders	–	–	–	18	–	–	–	–	2,976	2,994
Appropriation to statutory reserves	–	–	–	–	–	22,600	–	(22,600)	–	–
Appropriation to general and regulatory reserves	–	–	–	–	–	–	40,584	(40,584)	–	–
Dividends	–	–	–	–	–	–	–	(39,374)	(2,503)	(41,877)
Other comprehensive income transferred to retained earnings	–	–	–	–	167	–	–	(167)	–	–
Other	–	–	–	38	–	–	–	–	16	54
As at 31 December 2025 (Audited)	322,212	99,969	269,984	272,304	59,834	302,179	455,118	1,282,444	144,080	3,208,124

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the six-month period ended 30 June 2026 (Amounts in millions of Renminbi, unless otherwise stated)

	Note	Six-month period ended 30 June 2026 Unaudited	Six-month period ended 30 June 2025 Unaudited
Cash flows from operating activities			
Profit before income tax		162,919	153,018
Adjustments:			
Impairment losses on assets		68,076	57,502
Depreciation of property and equipment and right-of-use assets		10,301	10,571
Amortisation of intangible assets and other assets		3,252	3,316
Net gains on disposals of property and equipment, intangible assets and other long-term assets		(597)	(664)
Net losses on disposals of investments in subsidiaries, associates and joint ventures		31	153
Share of results of associates and joint ventures		(560)	(598)
Interest income arising from financial investments		(121,327)	(115,527)
Dividends arising from investment securities		(297)	(224)
Net gains on financial investments		(13,253)	(4,545)
Interest expense arising from bonds issued		24,898	25,986
Accreted interest on impaired loans		(768)	(587)
Interest expense arising from lease liabilities		254	275
Net changes in operating assets and liabilities:			
Net (increase)/decrease in balances with central banks		(66,958)	36,617
Net decrease/(increase) in due from and placements with and loans to banks and other financial institutions		40,620	(42,977)
Net (increase)/decrease in precious metals		(30,503)	41,303
Net increase in loans and advances to customers		(1,322,490)	(1,504,725)
Net decrease/(increase) in other assets		27,748	(100,220)
Net increase/(decrease) in due to banks and other financial institutions		874,564	(286,967)
Net (decrease)/increase in due to central banks		(49,471)	431,413
Net increase/(decrease) in placements from banks and other financial institutions		287,607	(74,001)
Net increase in due to customers		711,975	1,432,694
Net increase in other borrowings		8,777	12,372
Net decrease in other liabilities		(77,062)	(12,165)
Cash inflow from operating activities		537,736	62,020
Income tax paid		(21,936)	(28,381)
Net cash inflow from operating activities		**515,800**	**33,639**

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (Continued)
For the six-month period ended 30 June 2026 (Amounts in millions of Renminbi, unless otherwise stated)

	Note	Six-month period ended 30 June 2026 Unaudited	Six-month period ended 30 June 2025 Unaudited
Cash flows from investing activities			
Proceeds from disposals of property and equipment, intangible assets and other long-term assets		4,293	5,691
Proceeds from disposals of investments in subsidiaries, associates and joint ventures		1,231	870
Dividends received		562	430
Interest income received from financial investments		117,863	113,089
Proceeds from disposals/maturities of financial investments		2,322,748	2,796,195
Increase in investments in subsidiaries, associates and joint ventures		(85)	(2,045)
Purchase of property and equipment, intangible assets and other long-term assets		(28,001)	(16,508)
Purchase of financial investments		(3,182,358)	(3,545,382)
Net cash outflow from investing activities		**(763,747)**	**(647,660)**
Cash flows from financing activities			
Proceeds from issuance of bonds		779,411	956,824
Proceeds from issuance of ordinary shares		–	164,952
Proceeds from issuance of other equity instruments		29,998	1,990
Repayments of debts issued		(815,685)	(871,788)
Cash payments for interest on bonds issued		(14,275)	(15,448)
Repayments of other equity instruments issued		(50,000)	(62,486)
Dividend payments to ordinary shareholders		(12,207)	(71,360)
Dividend and interest payments to other equity instrument holders		(7,386)	(9,557)
Dividend payments to non-controlling shareholders		(1,733)	(1,781)
Other net cash flows from financing activities		(2,104)	(3,747)
Net cash (outflow)/inflow from financing activities		**(93,981)**	**87,599**
Effect of exchange rate changes on cash and cash equivalents		(52,166)	40,238
Net decrease in cash and cash equivalents		**(394,094)**	**(486,184)**
Cash and cash equivalents at beginning of the period		2,304,843	2,368,929
Cash and cash equivalents at end of the period	III.30	**1,910,749**	**1,882,745**
Net cash flows from operating activities include:			
Interest received		390,971	412,093
Interest paid		(293,677)	(261,196)

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

(Amounts in millions of Renminbi, unless otherwise stated)

I BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

The unaudited interim financial information for the six-month period ended 30 June 2026 has been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting* and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2025.

Except as described below, the accounting policies adopted in the preparation of the unaudited interim financial information are consistent with those used in the Group's consolidated financial statements for the year ended 31 December 2025.

1 Standards and amendments effective in 2026 relevant to and adopted by the Group

On 1 January 2026, the Group adopted the following amended IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"), which has been mandatorily effective for the current interim period.

Amendments to IFRS 9 and IFRS 7	*Classification and Measurement of Financial Instruments*
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements	*Annual Improvements to IFRS Accounting Standards-Volume 11*

The description of the above amendments updates has been disclosed in the 2025 Group's consolidated financial statements. The adoption of the above amendments does not have any significant impact on the operating results, comprehensive income and financial position of the Group for the six-month period ended 30 June 2026.

(Amounts in millions of Renminbi, unless otherwise stated)

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

2 Standards and amendments that are not yet effective in the current interim period and have not been adopted before their effective dates by the Group in 2026

		Effective for annual periods beginning on or after
IFRS 18	*Presentation and Disclosure in Financial Statements*	1 January 2027
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*	1 January 2027
Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*	1 January 2027
Amendments to IAS 28	*The Fair Value Option for Investments in Associates and Joint Ventures*	1 January 2027
IFRS 20	*Regulatory Assets and Regulatory Liabilities*	1 January 2029
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Effective date has been deferred indefinitely

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

II CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The critical accounting estimates and judgements made by the Group in this reporting period are consistent with those used in the Group's consolidated financial statements for the year ended 31 December 2025.

(Amounts in millions of Renminbi, unless otherwise stated)

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS

1 Net interest income

	Six-month period ended 30 June	
	2026	**2025**
Interest income		
Loans and advances to customers	329,783	339,351
— Corporate loans and advances	225,965	226,909
— Personal loans	98,790	107,442
— Discounted bills	5,028	5,000
Financial investments	121,327	115,527
— Financial assets at fair value through other comprehensive income	63,178	62,559
— Financial assets at amortised cost	58,149	52,968
Due from and placements with and loans to banks and other financial institutions and central banks	45,025	48,453
Subtotal	496,135	503,331
Interest expense		
Due to customers	(180,750)	(210,531)
Due to and placements from banks and other financial institutions	(52,606)	(50,981)
Bonds issued and other	(26,046)	(27,003)
Subtotal	(259,402)	(288,515)
Net interest income	236,733	214,816

(Amounts in millions of Renminbi, unless otherwise stated)

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

2 Net fee and commission income

	Six-month period ended 30 June	
	2026	**2025**
Agency commissions	14,422	14,479
Settlement and clearing fees	9,596	9,210
Bank card fees	7,462	7,075
Consultancy and advisory fees	6,279	6,427
Credit commitment fees	4,947	5,239
Custodian and other fiduciary service fees	4,151	3,749
Spread income from foreign exchange business	2,794	2,831
Other	4,423	4,099
Fee and commission income	54,074	53,109
Fee and commission expense	(6,865)	(6,318)
Net fee and commission income	47,209	46,791

3 Net trading gains

	Six-month period ended 30 June	
	2026	**2025**
Net gains from foreign exchange and foreign exchange products	2,265	16,259
Net gains from interest rate products	7,329	7,846
Net gains from fund investments and equity products	4,285	2,923
Net gains from commodity products	2,666	1,160
Total(1)	16,545	28,188

(1) For the six-month period ended 30 June 2026, included in "Net trading gains" above were losses of RMB710 million in relation to financial assets and financial liabilities designated as at fair value through profit or loss (Six-month period ended 30 June 2025: losses of RMB175 million).

(Amounts in millions of Renminbi, unless otherwise stated)

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

4 Net gains on transfers of financial assets

	Six-month period ended 30 June	
	2026	**2025**
Net gains on derecognition of financial assets at fair value through other comprehensive income	7,574	3,639
Net gains on derecognition of financial assets at amortised cost[(1)]	5,976	1,202
Total	13,550	4,841

(1) All the net gains on the derecognition of financial assets at amortised cost were resulted from disposals during the six-month periods ended 30 June 2026 and 30 June 2025.

5 Other operating income

	Six-month period ended 30 June	
	2026	**2025**
Revenue from sales of precious metal products	22,729	16,118
Aircraft, vessels and other leasing income	7,445	6,765
Insurance revenue	7,808	7,219
Dividend income	2,415	2,316
Gains on disposals of property and equipment, intangible assets and other assets	637	701
Changes in fair value of investment properties (Note III.20)	(99)	(647)
Other[(1)]	2,141	2,310
Total	43,076	34,782

(1) For the six-month period ended 30 June 2026, government subsidy income from operating activities, as part of other operating income, was RMB297 million (Six-month period ended 30 June 2025: RMB361 million).

(Amounts in millions of Renminbi, unless otherwise stated)

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

6 Operating expenses

	Six-month period ended 30 June	
	2026	**2025**
Staff costs (Note III.7)	54,774	52,261
General operating and administrative expenses[1]	18,347	19,282
Depreciation and amortisation	10,506	11,085
Cost of sales of precious metal products	22,303	15,784
Insurance service expenses	5,426	5,069
Insurance finance expenses	6,551	7,861
Taxes and surcharges	3,704	3,132
Other	5,067	5,022
Total[2]	126,678	119,496

(1) For the six-month period ended 30 June 2026, included in the "General operating and administrative expenses" were lease expenses related to short-term leases, leases of low-value assets and others of RMB432 million (Six-month period ended 30 June 2025: RMB470 million).

(2) For the six-month period ended 30 June 2026, included in the "Operating expenses" were premises and equipment-related expenses (mainly comprised of property management and building maintenance expenses and taxes) of RMB5,249 million (Six-month period ended 30 June 2025: RMB5,666 million).

7 Staff costs

	Six-month period ended 30 June	
	2026	**2025**
Salary, bonus and subsidy	36,700	35,271
Staff welfare	1,841	1,655
Retirement benefits	13	12
Social insurance		
— Medical	3,065	2,939
— Pension	4,171	3,860
— Annuity	2,361	2,227
— Unemployment	157	145
— Injury at work	63	58
— Maternity insurance	59	60
Housing funds	3,126	2,917
Labour union fee and staff education fee	975	790
Reimbursement for cancellation of labour contract	23	46
Other	2,220	2,281
Total	54,774	52,261

(Amounts in millions of Renminbi, unless otherwise stated)

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

8 Credit impairment losses

	Six-month period ended 30 June	
	2026	**2025**
Loans and advances		
— Loans and advances at amortised cost	69,852	64,955
— Loans and advances at fair value through other comprehensive income	(150)	(24)
Subtotal	69,702	64,931
Financial investments		
— Financial assets at amortised cost	239	(870)
— Financial assets at fair value through other comprehensive income	11	(2,071)
Subtotal	250	(2,941)
Credit commitments	(2,129)	(3,189)
Other	284	(2,284)
Total	68,107	56,517

9 Income tax expense

	Six-month period ended 30 June	
	2026	**2025**
Current income tax		
— Chinese mainland income tax	15,465	17,919
— Hong Kong (China) profits tax	4,199	4,109
— Macao (China), Taiwan (China) and other countries and regions taxation	3,450	3,322
Subtotal	23,114	25,350
Deferred income tax (Note III.25.3)	7,774	1,530
Total	30,888	26,880

(Amounts in millions of Renminbi, unless otherwise stated)

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

9 Income tax expense (Continued)

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

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

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

	Six-month period ended 30 June	
	2026	**2025**
Profit before income tax	162,919	153,018
Tax calculated at the basic Chinese mainland tax rate	40,730	38,255
Effect of different tax rates for Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions	(3,036)	(3,119)
Supplementary PRC tax on overseas income	2,630	2,163
Income not subject to tax(1)	(19,779)	(24,463)
Items not deductible for tax purposes(2)	8,815	13,538
Other	1,528	506
Income tax expense	30,888	26,880

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

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

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

9 Income tax expense (Continued)

OECD Pillar Two model rules

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

The Group is within the scope of the Pillar Two rules. As at 30 June 2026, Chinese mainland has not legislated Pillar Two. Pillar Two legislation has been officially enacted in some countries where the Group operates, which has come into effect from 1 January 2024. As at 30 June 2026, the implementation of Pillar Two has no significant impact on the Group's condensed consolidated interim financial statements.

(Amounts in millions of Renminbi, unless otherwise stated)

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

10 Earnings per share

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

Diluted earnings per share was computed by dividing the adjusted profit attributable to the ordinary shareholders of the Bank based on assuming conversion of all potentially dilutive shares for the period by the adjusted weighted average number of ordinary shares in issue. There was no difference between basic and diluted earnings per share as there were no potentially dilutive shares outstanding for the six-month periods ended 30 June 2026 and 30 June 2025.

	Six-month period ended 30 June	
	2026	**2025**
Profit attributable to equity holders of the Bank	123,594	117,591
Less: dividends/interest on preference shares/perpetual bonds declared	(8,269)	(9,710)
Profit attributable to ordinary shareholders of the Bank	115,325	107,881
Weighted average number of ordinary shares in issue (in million shares)	322,212	296,540
Basic and diluted earnings per share (in RMB)	0.36	0.36

(Amounts in millions of Renminbi, unless otherwise stated)

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

11 Other comprehensive income

	Six-month period ended 30 June	
	2026	**2025**
Items that will not be reclassified to profit or loss		
Actuarial (losses)/gains on defined benefit plans	(36)	14
Changes in fair value on equity instruments designated at fair value through other comprehensive income	(7,644)	(950)
Less: related income tax impact	1,805	418
Other	(122)	(17)
Subtotal	(5,997)	(535)
Items that may be reclassified to profit or loss		
Changes in fair value on debt instruments measured at fair value through other comprehensive income	11,315	1,651
Less: related income tax impact	(4,489)	(235)
Amount transferred to the statement of profit or loss	(7,574)	(3,639)
Less: related income tax impact	1,841	948
	1,093	(1,275)
Allowance for credit losses on debt instruments measured at fair value through other comprehensive income	(199)	(2,096)
Less: related income tax impact	39	529
	(160)	(1,567)
Finance expenses from insurance contracts issued	(1,591)	(4,465)
Less: related income tax impact	382	1,047
	(1,209)	(3,418)
Exchange differences from the translation of foreign operations	(22,093)	430
Other	306	273
Subtotal	(22,063)	(5,557)
Total	(28,060)	(6,092)

(Amounts in millions of Renminbi, unless otherwise stated)

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

11 Other comprehensive income (Continued)

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

	Losses on financial assets at fair value through other comprehensive income	Exchange differences from the translation of foreign operations	Other	Total
As at 1 January 2025	92,308	2,818	142	95,268
Changes for the year	(32,033)	(3,561)	160	(35,434)
As at 31 December 2025 and 1 January 2026	60,275	(743)	302	59,834
Changes for the period ended 30 June 2026	(3,596)	(17,025)	(568)	(21,189)
As at 30 June 2026	56,679	(17,768)	(266)	38,645

(Amounts in millions of Renminbi, unless otherwise stated)

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

12 Cash and due from banks and other financial institutions

	As at 30 June 2026	As at 31 December 2025
Cash	65,757	70,055
Due from banks in Chinese mainland	287,802	283,281
Due from other financial institutions in Chinese mainland	40,027	21,579
Due from banks in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions	202,676	196,287
Due from other financial institutions in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions	3,866	4,561
Subtotal(1)	534,371	505,708
Accrued interest	1,590	1,938
Less: allowance for impairment losses(1)	(127)	(156)
Subtotal due from banks and other financial institutions	535,834	507,490
Total	601,591	577,545

(1) As at 30 June 2026 and 31 December 2025, the Group included the predominant majority of due from banks and other financial institutions under Stage 1, and measured the impairment losses based on expected credit losses in the next 12 months ("12-month ECL").

(Amounts in millions of Renminbi, unless otherwise stated)

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

13 Balances with central banks

	As at 30 June 2026	As at 31 December 2025
Mandatory reserves(1)	1,631,815	1,585,067
Surplus reserves and others(2)	782,800	880,818
Subtotal	2,414,615	2,465,885
Accrued interest	1,091	1,219
Total	2,415,706	2,467,104

(1) The Group places mandatory reserve funds with the People's Bank of China (the "PBOC") and the central banks of Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions where it has operations. As at 30 June 2026, mandatory reserve funds placed with the PBOC were calculated at 7.5% (31 December 2025: 7.5%) and 4.0% (31 December 2025: 4.0%) of qualified RMB deposits and foreign currency deposits from customers in Chinese mainland of the Bank, respectively. Mandatory reserve funds placed with the central bank of domestic subsidiaries of the Group are determined by the PBOC. The amounts of mandatory reserve funds placed with the central banks of other jurisdictions are determined by local regulations.

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

(Amounts in millions of Renminbi, unless otherwise stated)

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

14 Placements with and loans to banks and other financial institutions

	As at 30 June 2026	As at 31 December 2025
Placements with and loans to:		
Banks in Chinese mainland	107,801	149,464
Other financial institutions in Chinese mainland	552,919	697,872
Banks in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions	434,244	576,343
Other financial institutions in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions	67,878	70,360
Subtotal[(1)(2)(3)(4)]	1,162,842	1,494,039
Accrued interest	5,217	5,317
Less: allowance for impairment losses[(4)]	(992)	(929)
Total	1,167,067	1,498,427

(Amounts in millions of Renminbi, unless otherwise stated)

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

14 Placements with and loans to banks and other financial institutions (Continued)

(1) As at 30 June 2026, the carrying amount of "Placements with and loans to banks and other financial institutions" measured at fair value through profit or loss of the Group was RMB90,207 million (31 December 2025: RMB80,534 million).

(2) The Group designates certain placements with and loans to banks and other financial institutions as financial assets measured at fair value through profit or loss, to eliminate or significantly reduce accounting mismatch. As at 30 June 2026, the carrying amount of the above-mentioned financial assets of the Group was RMB14,059 million (31 December 2025: RMB13,730 million).

(3) Balances arising from reverse repo agreements and collateralised financing agreements are presented by collateral type as follows:

	As at 30 June 2026	**As at 31 December 2025**
Debt securities		
— Governments	46,679	297,522
— Policy banks	96,577	174,842
— Financial institutions	30,375	45,957
— Corporates	258	258
Subtotal	173,889	518,579
Less: allowance for impairment losses	(273)	(261)
Total	173,616	518,318

(4) As at 30 June 2026 and 31 December 2025, the Group included the predominant majority of its placements with and loans to banks and other financial institutions under Stage 1, and measured the impairment losses based on 12-month ECL.

(Amounts in millions of Renminbi, unless otherwise stated)

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

15 Derivative financial instruments

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

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

	As at 30 June 2026			As at 31 December 2025		
	Contractual/ Notional amount	Fair value		Contractual/ Notional amount	Fair value	
		Assets	Liabilities		Assets	Liabilities
Exchange rate derivatives						
Currency forwards and swaps, and cross-currency interest rate swaps	9,155,629	84,537	(70,243)	11,531,821	85,030	(67,648)
Currency options	930,847	3,883	(5,029)	1,096,686	3,065	(4,208)
Currency futures	3,175	3	(16)	3,226	3	(9)
Subtotal	10,089,651	88,423	(75,288)	12,631,733	88,098	(71,865)
Interest rate derivatives						
Interest rate swaps	9,074,663	35,470	(33,222)	8,831,200	33,192	(32,193)
Interest rate options	10,726	77	(77)	14,157	97	(97)
Interest rate futures	79,989	22	(139)	113,055	24	(7)
Subtotal	9,165,378	35,569	(33,438)	8,958,412	33,313	(32,297)
Equity derivatives	26,870	544	(556)	17,673	134	(222)
Commodity derivatives and other	478,435	28,208	(21,218)	443,060	11,296	(26,638)
Total(1)	19,760,334	152,744	(130,500)	22,050,878	132,841	(131,022)

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

(Amounts in millions of Renminbi, unless otherwise stated)

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

16 Loans and advances to customers

16.1 Analysis of loans and advances to customers by measurement category

	As at 30 June 2026	As at 31 December 2025
Measured at amortised cost		
— Corporate loans and advances	16,499,192	15,338,784
— Personal loans	6,820,973	6,825,203
— Discounted bills	8,928	8,635
Measured at fair value through other comprehensive income(1)		
— Corporate loans and advances	4,092	4,614
— Discounted bills	1,337,273	1,227,469
Subtotal	24,670,458	23,404,705
Measured at fair value through profit or loss(2)		
— Corporate loans and advances	2,823	2,731
— Discounted bills	22,006	78
Total	24,695,287	23,407,514
Accrued interest	45,840	45,978
Total loans and advances	24,741,127	23,453,492
Less: allowance for loans at amortised cost	(605,903)	(576,723)
Loans and advances to customers, net	24,135,224	22,876,769

(1) As at 30 June 2026, the allowance for impairment losses of loans and advances to customers at fair value through other comprehensive income of the Group amounted to RMB271 million (31 December 2025: RMB421 million) and was credited to other comprehensive income.

(2) During the six-month period ended 30 June 2026 and the year ended 31 December 2025, there were no significant movements in the fair value and accumulated fair value changes of loans and advances measured at fair value through profit or loss that are attributable to changes in credit risk of these loans.

(Amounts in millions of Renminbi, unless otherwise stated)

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

16 Loans and advances to customers (Continued)

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

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

(1) Allowance for loans at amortised cost

	Six-month period ended 30 June 2026			
	12-month ECL	Lifetime ECL		Total
	Stage 1	Stage 2	Stage 3	
As at 1 January	251,069	118,651	207,003	576,723
Transfers to Stage 1	10,631	(10,001)	(630)	–
Transfers to Stage 2	(2,816)	4,999	(2,183)	–
Transfers to Stage 3	(559)	(12,834)	13,393	–
Impairment (reversal)/losses of loans with stage transfers	(10,415)	24,692	30,999	45,276
Charge for the period(i)	85,322	17,985	17,775	121,082
Reversal for the period(ii)	(68,109)	(15,314)	(13,083)	(96,506)
Write-off and transfer out	–	–	(42,638)	(42,638)
Recovery of loans and advances written off	–	–	7,625	7,625
Foreign exchange and other movements	(1,761)	(265)	(3,633)	(5,659)
As at 30 June	263,362	127,913	214,628	605,903

(Amounts in millions of Renminbi, unless otherwise stated)

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

16 Loans and advances to customers (Continued)

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

(1) Allowance for loans at amortised cost (Continued)

	Year ended 31 December 2025			
	12-month ECL	Lifetime ECL		Total
	Stage 1	Stage 2	Stage 3	
As at 1 January	243,069	109,186	186,531	538,786
Transfers to Stage 1	12,752	(10,750)	(2,002)	–
Transfers to Stage 2	(5,410)	9,705	(4,295)	–
Transfers to Stage 3	(1,214)	(23,011)	24,225	–
Impairment (reversal)/losses of loans with stage transfers	(11,967)	28,912	69,639	86,584
Charge for the year(i)	114,156	28,600	22,026	164,782
Reversal for the year(ii)	(100,443)	(24,004)	(19,763)	(144,210)
Write-off and transfer out	–	–	(85,275)	(85,275)
Recovery of loans and advances written off	–	–	19,834	19,834
Foreign exchange and other movements	126	13	(3,917)	(3,778)
As at 31 December	251,069	118,651	207,003	576,723

(Amounts in millions of Renminbi, unless otherwise stated)

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

16 Loans and advances to customers (Continued)

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

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

	Six-month period ended 30 June 2026			
	12-month ECL	Lifetime ECL		Total
	Stage 1	Stage 2	Stage 3	
As at 1 January	421	–	–	421
Transfers to Stage 1	–	–	–	–
Transfers to Stage 2	–	–	–	–
Transfers to Stage 3	–	–	–	–
Impairment (reversal)/losses of loans with stage transfers	–	–	–	–
Charge for the period(i)	259	–	–	259
Reversal for the period(ii)	(409)	–	–	(409)
Foreign exchange and other movements	–	–	–	–
As at 30 June	271	–	–	271

(Amounts in millions of Renminbi, unless otherwise stated)

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

16 Loans and advances to customers (Continued)

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

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

	Year ended 31 December 2025			
	12-month ECL	Lifetime ECL		Total
	Stage 1	Stage 2	Stage 3	
As at 1 January	391	–	–	391
Transfers to Stage 1	–	–	–	–
Transfers to Stage 2	–	–	–	–
Transfers to Stage 3	–	–	–	–
Impairment (reversal)/losses of loans with stage transfers	–	–	–	–
Charge for the year(i)	484	–	–	484
Reversal for the year(ii)	(455)	–	–	(455)
Foreign exchange and other movements	1	–	–	1
As at 31 December	421	–	–	421

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

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

(Amounts in millions of Renminbi, unless otherwise stated)

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

17 Financial investments

	As at 30 June 2026	As at 31 December 2025
Financial assets at fair value through profit or loss		
Financial assets held for trading and other financial assets at fair value through profit or loss		
Debt securities		
Issuers in Chinese mainland		
— Government	34,678	43,473
— Public sectors and quasi-governments	4,810	2,729
— Policy banks	47,500	46,959
— Financial institutions	208,157	175,078
— Corporate	10,893	8,481
Issuers in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions		
— Governments	115,989	99,447
— Public sectors and quasi-governments	8,426	5,874
— Financial institutions	47,233	40,375
— Corporate	15,971	15,273
	493,657	437,689
Equity instruments	120,628	121,356
Fund investments and other	153,755	136,286
Total financial assets held for trading and other financial assets at fair value through profit or loss	768,040	695,331

(Amounts in millions of Renminbi, unless otherwise stated)

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

17 Financial investments (Continued)

	As at 30 June 2026	As at 31 December 2025
Financial assets at fair value through profit or loss (Continued)		
Financial assets at fair value through profit or loss (designated)		
Debt securities[(1)]		
Issuers in Chinese mainland		
— Government	6,757	7,028
— Policy banks	83	89
— Financial institutions	700	4,448
— Corporate	825	1,626
Issuers in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions		
— Governments	11,882	8,625
— Public sectors and quasi-governments	7,411	4,119
— Financial institutions	14,929	12,488
— Corporate	25,094	23,959
Total financial assets at fair value through profit or loss (designated)	67,681	62,382
Total financial assets at fair value through profit or loss	835,721	757,713

(Amounts in millions of Renminbi, unless otherwise stated)

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

17 Financial investments (Continued)

	As at 30 June 2026	As at 31 December 2025
Financial assets at fair value through other comprehensive income		
Debt securities		
Issuers in Chinese mainland		
— Government	1,762,783	1,697,869
— Public sectors and quasi-governments	84,142	80,971
— Policy banks	634,461	599,833
— Financial institutions	270,503	313,022
— Corporate	245,912	217,127
Issuers in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions		
— Governments	941,472	988,907
— Public sectors and quasi-governments	477,756	384,092
— Financial institutions	250,365	202,647
— Corporate	92,525	92,517
	4,759,919	4,576,985
Equity instruments and other(2)	47,888	53,829
Total financial assets at fair value through other comprehensive income(3)	4,807,807	4,630,814

(Amounts in millions of Renminbi, unless otherwise stated)

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

17 Financial investments (Continued)

	As at 30 June 2026	As at 31 December 2025
Financial assets at amortised cost		
Debt securities		
Issuers in Chinese mainland		
— Government(4)	3,538,643	3,093,614
— Public sectors and quasi-governments	65,684	67,536
— Policy banks	426,059	311,897
— Financial institutions	87,564	106,394
— Corporate	103,833	87,147
— China Orient(5)	152,433	152,433
Issuers in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions		
— Governments	179,424	187,347
— Public sectors and quasi-governments	183,938	168,178
— Financial institutions	39,818	36,954
— Corporate	10,049	10,433
	4,787,445	4,221,933
Investment trusts, asset management plans and other	18,226	20,157
Accrued interest	39,744	37,344
Less: allowance for impairment losses	(7,627)	(8,351)
Total financial assets at amortised cost	4,837,788	4,271,083
Total financial investments(6)	10,481,316	9,659,610

(Amounts in millions of Renminbi, unless otherwise stated)

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

17 Financial investments (Continued)

	As at 30 June 2026	As at 31 December 2025
Analysed as follows:		
Financial assets at fair value through profit or loss		
— Listed in Hong Kong, China	63,787	71,040
— Listed outside Hong Kong, China[7]	437,300	370,087
— Unlisted	334,634	316,586
Financial assets at fair value through other comprehensive income		
Debt securities		
— Listed in Hong Kong, China	128,703	140,984
— Listed outside Hong Kong, China[7]	3,600,303	3,456,511
— Unlisted	1,030,913	979,490
Equity instruments and other		
— Listed in Hong Kong, China	7,954	6,499
— Listed outside Hong Kong, China[7]	13,372	16,215
— Unlisted	26,562	31,115
Financial assets at amortised cost		
— Listed in Hong Kong, China	23,911	18,869
— Listed outside Hong Kong, China[7]	4,477,061	3,915,810
— Unlisted	336,816	336,404
Total	10,481,316	9,659,610
Listed in Hong Kong, China	224,355	237,392
Listed outside Hong Kong, China[7]	8,528,036	7,758,623
Unlisted	1,728,925	1,663,595
Total	10,481,316	9,659,610

(Amounts in millions of Renminbi, unless otherwise stated)

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

17 Financial investments (Continued)

	As at 30 June 2026		As at 31 December 2025	
	Carrying value	Market value	Carrying value	Market value
Debt securities at amortised cost				
— Listed in Hong Kong, China	23,911	24,053	18,869	18,915
— Listed outside Hong Kong, China(7)	4,477,061	4,668,403	3,915,810	4,080,094

Details of equity instrument investments designated as measured at fair value through other comprehensive income

	Six-month period ended 30 June 2026						
			Changes in fair value				
	As at 1 January	Additions	Arising from derecognition of investments	Relating to investments held at period-end	Disposals	Cumulative gains or losses recognised in other comprehensive income transferred to retained earnings	As at 30 June
Carrying Amount	46,427	2,913	(22)	(7,622)	(794)	–	40,902
Cumulative gains or losses recognised in other comprehensive income	21,636	–	(22)	(7,622)	–	56	14,048

(Amounts in millions of Renminbi, unless otherwise stated)

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

17 Financial investments (Continued)

	Year ended 31 December 2025						
			Changes in fair value				
	As at 1 January	Additions	Arising from derecognition of investments	Relating to investments held at year-end	Disposals	Cumulative gains or losses recognised in other comprehensive income transferred to retained earnings	As at 31 December
Carrying Amount	37,837	12,132	255	1,074	(4,871)	–	46,427
Cumulative gains or losses recognised in other comprehensive income	21,032	–	255	1,074	–	(725)	21,636

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

(2) The Group designates certain non-trading equity instrument investments as financial investments measured at fair value through other comprehensive income. Investments in equity instruments in this category are mainly financial institution-type investments. For the six-month period ended 30 June 2026, dividend income from such equity investments was RMB297 million (Six-month period ended 30 June 2025: RMB224 million), of which RMB6 million was derecognized (Six-month period ended 30 June 2025: RMB106 million).

(3) The Group's accumulated impairment allowance for the debt securities at fair value through other comprehensive income as at 30 June 2026 amounted to RMB3,817 million (31 December 2025: RMB3,865 million).

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

17 Financial investments (Continued)

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

(5) The Bank transferred certain non-performing assets to China Orient Asset Management Corporation ("China Orient") in 1999 and 2000. On 1 July 2000, China Orient issued a ten-year bond ("Orient Bond") with a par value of RMB160,000 million and interest rate of 2.25% to the Bank as consideration. In 2010, the maturity of this bond was extended to 30 June 2020. In 2020, the maturity of the Orient Bond was extended to 30 June 2025. In 2025, the Bank received a notice from the MOF that the maturity of the Orient Bond was further extended to 31 December 2035. The MOF shall continue to provide funding support for the principal and interest of the Orient Bond. Pursuant to the requirements of the MOF, from 1 January 2020, the interest rate on the unpaid amounts will be verified year by year based on the rate of return of the five-year treasury bond of the previous year. As at 30 June 2026, the Bank had received early repayments of principal amounting to RMB7,567 million cumulatively.

(6) As at 30 June 2026, RMB1,874 million of debt securities measured at fair value through other comprehensive income and at amortised cost of the Group was determined to be impaired and was included under Stage 3 (31 December 2025: RMB2,938 million), with an impairment allowance of RMB1,874 million (31 December 2025: RMB2,696 million); RMB2,650 million of debt securities was included under Stage 2 (31 December 2025: RMB3,431 million), with an impairment allowance of RMB434 million (31 December 2025: RMB605 million) and the remaining debt securities were included under Stage 1, with impairment allowance measured based on 12-month ECL.

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

(Amounts in millions of Renminbi, unless otherwise stated)

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

17 Financial investments (Continued)

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

	Six-month period ended 30 June 2026			
	12-month ECL	Lifetime ECL		Total
	Stage 1	Stage 2	Stage 3	
As at 1 January	1,174	446	6,731	8,351
Transfers to Stage 1	1	(1)	–	–
Impairment reversal with stage transfers	(1)	–	–	(1)
Impairment losses for the period	154	6	80	240
Write-off and transfer out	–	–	(884)	(884)
Foreign exchange and other movements	(47)	–	(32)	(79)
As at 30 June	1,281	451	5,895	7,627

	Year ended 31 December 2025			
	12-month ECL	Lifetime ECL		Total
	Stage 1	Stage 2	Stage 3	
As at 1 January	1,638	52	7,374	9,064
Transfers to Stage 2	–	–	–	–
Impairment losses with stage transfers	–	400	–	400
Impairment (reversal)/losses during the year	(423)	(8)	324	(107)
Write-off and transfer out	–	–	(942)	(942)
Foreign exchange and other movements	(41)	2	(25)	(64)
As at 31 December	1,174	446	6,731	8,351

(Amounts in millions of Renminbi, unless otherwise stated)

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

17 Financial investments (Continued)

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

	Six-month period ended 30 June 2026			
	12-month ECL	Lifetime ECL		Total
	Stage 1	Stage 2	Stage 3	
As at 1 January	3,307	561	–	3,868
Transfers to Stage 1	2	(2)	–	–
Impairment reversal with stage transfers	(1)	–	–	(1)
Impairment losses/(reversal) for the period	183	(171)	–	12
Foreign exchange and other movements	(59)	(1)	–	(60)
As at 30 June	3,432	387	–	3,819

	Year ended 31 December 2025			
	12-month ECL	Lifetime ECL		Total
	Stage 1	Stage 2	Stage 3	
As at 1 January	5,450	58	300	5,808
Transfers to Stage 1	26	(26)	–	–
Transfers to Stage 2	(33)	33	–	–
Impairment (reversal)/losses with stage transfers	(12)	525	–	513
Impairment reversal during the year	(2,108)	(29)	(37)	(2,174)
Write-off and transfer out	–	–	(263)	(263)
Foreign exchange and other movements	(16)	–	–	(16)
As at 31 December	3,307	561	–	3,868

(Amounts in millions of Renminbi, unless otherwise stated)

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

18 Property and equipment

	Six-month period ended 30 June 2026			
	Buildings	Equipment and motor vehicles	Aircraft, vessels and others	Total
Cost				
As at 1 January	136,938	78,374	173,995	389,307
Additions	146	618	18,387	19,151
Transfer to investment properties (Note III.20)	(767)	–	–	(767)
Construction in progress transfer in (Note III.19)	1,813	155	633	2,601
Deductions	(215)	(1,205)	(2,246)	(3,666)
Exchange differences	(1,160)	(337)	(6,363)	(7,860)
As at 30 June	136,755	77,605	184,406	398,766
Accumulated depreciation				
As at 1 January	(59,436)	(62,192)	(31,694)	(153,322)
Additions	(2,078)	(2,239)	(3,047)	(7,364)
Deductions	115	1,157	726	1,998
Transfer to investment properties (Note III.20)	38	–	–	38
Exchange differences	344	276	1,243	1,863
As at 30 June	(61,017)	(62,998)	(32,772)	(156,787)
Allowance for impairment losses				
As at 1 January	(701)	–	(3,329)	(4,030)
Additions	–	–	–	–
Deductions	1	–	–	1
Exchange differences	–	–	128	128
As at 30 June	(700)	–	(3,201)	(3,901)
Net book value				
As at 1 January	76,801	16,182	138,972	231,955
As at 30 June	75,038	14,607	148,433	238,078

(Amounts in millions of Renminbi, unless otherwise stated)

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

18 Property and equipment (Continued)

	Year ended 31 December 2025			
	Buildings	**Equipment and motor vehicles**	**Aircraft, vessels and others**	**Total**
Cost				
As at 1 January	134,475	77,772	166,961	379,208
Additions	442	6,338	21,789	28,569
Transfer from investment properties (Note III.20)	715	–	–	715
Construction in progress transfer in (Note III.19)	2,550	561	4,050	7,161
Deductions	(929)	(6,182)	(14,717)	(21,828)
Exchange differences	(315)	(115)	(4,088)	(4,518)
As at 31 December	136,938	78,374	173,995	389,307
Accumulated depreciation				
As at 1 January	(55,728)	(62,961)	(31,826)	(150,515)
Additions	(4,217)	(5,292)	(5,659)	(15,168)
Deductions	371	5,953	4,935	11,259
Transfer to investment properties (Note III.20)	46	–	–	46
Exchange differences	92	108	856	1,056
As at 31 December	(59,436)	(62,192)	(31,694)	(153,322)
Allowance for impairment losses				
As at 1 January	(715)	–	(4,073)	(4,788)
Additions	–	–	–	–
Deductions	21	–	643	664
Exchange differences	(7)	–	101	94
As at 31 December	(701)	–	(3,329)	(4,030)
Net book value				
As at 1 January	78,032	14,811	131,062	223,905
As at 31 December	76,801	16,182	138,972	231,955

(Amounts in millions of Renminbi, unless otherwise stated)

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

19 Construction in progress

	Six-month period ended 30 June 2026	Year ended 31 December 2025
Cost		
As at 1 January	25,500	21,923
Additions	6,746	13,414
Transfer to property and equipment (Note III.18)	(2,601)	(7,161)
Deductions	(2,103)	(2,286)
Exchange differences	(880)	(390)
As at 30 June/31 December	26,662	25,500
Allowance for impairment losses		
As at 1 January	(206)	(206)
Additions	–	–
Deductions	–	–
Exchange differences	–	–
As at 30 June/31 December	(206)	(206)
Net book value		
As at 1 January	25,294	21,717
As at 30 June/31 December	26,456	25,294

20 Investment properties

	Six-month period ended 30 June 2026	Year ended 31 December 2025
As at 1 January	23,957	22,431
Additions	1,299	3,775
Transfer to property and equipment, net (Note III.18)	729	(761)
Deductions	–	–
Fair value changes (Note III.5)	(99)	(1,252)
Exchange differences	(417)	(236)
As at 30 June/31 December	25,469	23,957

(Amounts in millions of Renminbi, unless otherwise stated)

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

21 Other assets

	As at 30 June 2026	As at 31 December 2025
Accounts receivable and prepayments	125,943	83,342
Insurance contract assets	33,495	33,953
Right-of-use assets(1)	16,822	18,610
Intangible assets	26,868	26,417
Land use rights	5,722	5,935
Long-term deferred expense	2,926	3,204
Goodwill(2)	2,678	2,757
Repossessed assets(3)	1,729	1,839
Interest receivable	3,985	2,403
Other	42,345	26,995
Total	262,513	205,455

(1) Right-of-use assets

	Six-month period ended 30 June 2026		
	Buildings	Motor vehicles and other	Total
Cost			
As at 1 January	38,317	371	38,688
Additions	3,200	37	3,237
Deductions	(4,444)	(27)	(4,471)
Exchange differences	(421)	–	(421)
As at 30 June	36,652	381	37,033
Accumulated depreciation			
As at 1 January	(19,908)	(170)	(20,078)
Additions	(2,929)	(93)	(3,022)
Deductions	2,632	19	2,651
Exchange differences	237	1	238
As at 30 June	(19,968)	(243)	(20,211)
Net book value			
As at 1 January	18,409	201	18,610
As at 30 June	16,684	138	16,822

(Amounts in millions of Renminbi, unless otherwise stated)

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

21 Other assets (Continued)

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

	Year ended 31 December 2025		
	Buildings	**Motor vehicles and other**	**Total**
Cost			
As at 1 January	39,261	433	39,694
Additions	8,911	244	9,155
Deductions	(9,882)	(306)	(10,188)
Exchange differences	27	–	27
As at 31 December	38,317	371	38,688
Accumulated depreciation			
As at 1 January	(20,902)	(312)	(21,214)
Additions	(6,119)	(140)	(6,259)
Deductions	7,111	281	7,392
Exchange differences	2	1	3
As at 31 December	(19,908)	(170)	(20,078)
Net book value			
As at 1 January	18,359	121	18,480
As at 31 December	18,409	201	18,610

(Amounts in millions of Renminbi, unless otherwise stated)

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

21 Other assets (Continued)

(2) Goodwill

	Six-month period ended 30 June 2026	Year ended 31 December 2025
As at 1 January	2,757	2,828
Addition through acquisition of subsidiaries	–	–
Decrease resulting from disposal of subsidiaries	–	–
Exchange differences and other	(79)	(71)
As at 30 June/31 December[(i)]	2,678	2,757

(i) The goodwill mainly arose from the acquisition of BOC Aviation Limited in 2006 amounting to USD241 million (equivalent to RMB1,640 million).

(3) Repossessed assets

As at 30 June 2026, the net book amount of repossessed assets was RMB1,729 million (31 December 2025: RMB1,839 million), mainly comprised properties. Related allowance for impairment was RMB303 million (31 December 2025: RMB326 million).

The total book value of repossessed assets disposed of for the six-month period ended 30 June 2026 amounted to RMB78 million (2025: RMB448 million). The Group plans to dispose of the repossessed assets held at 30 June 2026 by auction, bidding or transfer.

22 Financial liabilities held for trading

As at 30 June 2026 and 31 December 2025, financial liabilities held for trading mainly included short position in debt securities.

(Amounts in millions of Renminbi, unless otherwise stated)

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

23 Due to customers

	As at 30 June 2026	As at 31 December 2025
Demand deposits		
— Corporate deposits	5,940,028	5,668,520
— Personal deposits	4,606,863	4,424,673
Subtotal	10,546,891	10,093,193
Time deposits		
— Corporate deposits	6,458,731	6,515,073
— Personal deposits	8,386,684	8,043,354
Subtotal	14,845,415	14,558,427
Structured deposits(1)		
— Corporate deposits	337,370	320,170
— Personal deposits	364,435	353,694
Subtotal	701,805	673,864
Certificates of deposit	360,044	421,423
Other deposits	79,847	75,120
Subtotal due to customers	26,534,002	25,822,027
Accrued interest	291,761	360,404
Total(2)	26,825,763	26,182,431

(1) The Group designates certain structured deposits as financial liabilities at fair value through profit or loss, to eliminate or significantly reduce accounting mismatch. As at 30 June 2026, the carrying amount of these financial liabilities was RMB32,860 million (31 December 2025: RMB44,267 million). The differences between the fair value and the amount that the Group would be contractually required to pay to the holders as at 30 June 2026 and 31 December 2025 were not significant. For the six-month period ended 30 June 2026 and the year ended 31 December 2025, there was no significant change in the Group's credit risk nor changes in the fair value of these financial liabilities as a result.

(2) Due to customers included margin deposits received by the Group as at 30 June 2026 of RMB456,870 million (31 December 2025: RMB439,626 million).

(Amounts in millions of Renminbi, unless otherwise stated)

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

24 Bonds issued

	Issue date	Maturity date	Annual interest rate	As at 30 June 2026	As at 31 December 2025
Bonds issued at amortised cost					
Tier 2 Capital Bonds issued					
2019 RMB Debt Securities First Tranche 02[(1)]	20 September 2019	24 September 2034	4.34%	9,996	9,996
2020 RMB Debt Securities First Tranche 02[(2)]	17 September 2020	21 September 2035	4.47%	14,995	14,994
2021 RMB Debt Securities First Tranche 01[(3)]	17 March 2021	19 March 2031	4.15%	–	14,996
2021 RMB Debt Securities First Tranche 02[(4)]	17 March 2021	19 March 2036	4.38%	9,996	9,997
2021 RMB Debt Securities Second Tranche 01[(5)]	12 November 2021	16 November 2031	3.60%	39,987	39,990
2021 RMB Debt Securities Second Tranche 02[(6)]	12 November 2021	16 November 2036	3.80%	9,996	9,997
2022 RMB Debt Securities First Tranche[(7)]	20 January 2022	24 January 2032	3.25%	29,990	29,993
2022 RMB Debt Securities Second Tranche 01[(8)]	24 October 2022	26 October 2032	3.02%	44,993	44,995
2022 RMB Debt Securities Second Tranche 02[(9)]	24 October 2022	26 October 2037	3.34%	14,997	14,998
2023 RMB Debt Securities First Tranche 01[(10)]	20 March 2023	22 March 2033	3.49%	39,993	39,994
2023 RMB Debt Securities First Tranche 02[(11)]	20 March 2023	22 March 2038	3.61%	19,996	19,997
2023 RMB Debt Securities Second Tranche 01[(12)]	19 September 2023	21 September 2033	3.25%	29,996	29,996
2023 RMB Debt Securities Second Tranche 02[(13)]	19 September 2023	21 September 2038	3.37%	29,996	29,996
2023 RMB Debt Securities Third Tranche 01[(14)]	19 October 2023	23 October 2033	3.43%	44,992	44,994

(Amounts in millions of Renminbi, unless otherwise stated)

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

24 Bonds issued (Continued)

	Issue date	Maturity date	Annual interest rate	As at 30 June 2026	As at 31 December 2025
Bonds issued at amortised cost (Continued)					
Tier 2 Capital Bonds issued (Continued)					
2023 RMB Debt Securities Third Tranche 02[15]	19 October 2023	23 October 2038	3.53%	24,995	24,996
2023 RMB Debt Securities Fourth Tranche 01[16]	1 December 2023	5 December 2033	3.30%	14,997	14,999
2023 RMB Debt Securities Fourth Tranche 02[17]	1 December 2023	5 December 2038	3.37%	14,997	14,999
2024 RMB Debt Securities First Tranche 01[18]	30 January 2024	1 February 2034	2.78%	29,996	29,998
2024 RMB Debt Securities First Tranche 02[19]	30 January 2024	1 February 2039	2.85%	29,996	29,998
2024 RMB Debt Securities Second Tranche 01[20]	2 April 2024	8 April 2034	2.62%	34,993	34,994
2024 RMB Debt Securities Second Tranche 02[21]	2 April 2024	8 April 2039	2.71%	24,996	24,996
2025 RMB Debt Securities First Tranche[22]	22 May 2025	26 May 2035	1.93%	49,995	49,994
2025 RMB Debt Securities Second Tranche[23]	24 November 2025	26 November 2035	2.16%	59,992	59,994
2025 RMB Debt Securities Third Tranche 01[24]	22 December 2025	24 December 2035	2.22%	47,993	47,994
2025 RMB Debt Securities Third Tranche 02[25]	22 December 2025	24 December 2035	1Y LPR-0.75%	2,000	2,000
2026 RMB Debt Securities First Tranche[26]	17 April 2026	21 April 2036	1.97%	49,995	–
2026 RMB Debt Securities Second Tranche[27]	12 June 2026	16 June 2036	1.93%	49,996	–
Subtotal[34]				774,864	689,895

(Amounts in millions of Renminbi, unless otherwise stated)

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

24 Bonds issued (Continued)

	Issue date	Maturity date	Annual interest rate	As at 30 June 2026	As at 31 December 2025
Bonds issued at amortised cost (Continued)					
Total Loss-absorbing Capacity Eligible Non-capital Bonds (TLAC Non-capital Bonds) issued					
2024 RMB TLAC Non-capital Debt 01A(28)	16 May 2024	20 May 2028	2.25%	24,996	24,996
2024 RMB TLAC Non-capital Debt 01B(29)	16 May 2024	20 May 2030	2.35%	14,998	14,998
2024 RMB TLAC Non-capital Green Debt First Tranche(30)	13 December 2024	17 December 2028	1.78%	9,999	9,999
2025 RMB TLAC Non-capital Debt First Tranche(31)	8 July 2025	10 July 2029	1.75%	49,996	49,994
2025 RMB TLAC Non-capital Debt Second Tranche(32)	15 August 2025	19 August 2029	1.93%	49,995	49,993
2026 RMB TLAC Non-capital Debt First Tranche(33)	19 May 2026	21 May 2030	1.72%	39,996	–
Subtotal(34)				189,980	149,980
Other bonds issued(35)					
US Dollar Debt Securities				157,293	151,521
RMB Debt Securities				149,316	164,065
Other				15,643	26,265
Subtotal				322,252	341,851
Negotiable certificates of deposit				957,280	1,098,406
Subtotal bonds issued at amortised cost				2,244,376	2,280,132
Bonds issued at fair value through profit or loss(36)				2,910	2,042
Subtotal bonds issued				2,247,286	2,282,174
Accrued interest				15,157	12,514
Total bonds issued (37)				2,262,443	2,294,688

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

24 Bonds issued (Continued)

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

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

(3) The Bank issued Tier 2 Capital Bonds in an amount of RMB15 billion on 17 March 2021. The bonds have a maturity of 10 years with a fixed coupon rate of 4.15%. The Bank is entitled to redeem the bonds at the end of the fifth year. The Bank redeemed all the bonds in advance at face value on 17 March 2026.

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

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

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

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

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

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

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

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

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

24 Bonds issued (Continued)

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

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

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

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

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

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

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

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

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

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

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

24 Bonds issued (Continued)

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

(23) The Bank issued Tier 2 Capital Bonds in an amount of RMB60 billion on 24 November 2025. The bonds have a maturity of 10 years with a fixed coupon rate of 2.16%. The Bank is entitled to redeem the bonds at the end of the fifth year.

(24) The Bank issued Tier 2 Capital Bonds in an amount of RMB48 billion on 22 December 2025. The bonds have a maturity of 10 years with a fixed coupon rate of 2.22%. The Bank is entitled to redeem the bonds at the end of the fifth year.

(25) The Bank issued Tier 2 Capital Bonds in an amount of RMB2 billion on 22 December 2025. The bonds have a maturity of 10 years with a floating coupon rate. The rate will be adjusted every 3 months in accordance with the issuance terms. The Bank is entitled to redeem the bonds at the end of the fifth year.

(26) The Bank issued Tier 2 Capital Bonds in an amount of RMB50 billion on 17 April 2026. The bonds have a maturity of 10 years with a fixed coupon rate of 1.97%. The Bank is entitled to redeem the bonds at the end of the fifth year.

(27) The Bank issued Tier 2 Capital Bonds in an amount of RMB50 billion on 12 June 2026. The bonds have a maturity of 10 years with a fixed coupon rate of 1.93%. The Bank is entitled to redeem the bonds at the end of the fifth year.

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

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

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

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

24 Bonds issued (Continued)

(31) The Bank issued Total Loss-absorbing Capacity Eligible Non-capital Bonds in an amount of RMB50 billion on 8 July 2025. The bonds have a maturity of 4 years with a fixed coupon rate of 1.75%. The Bank is entitled to redeem the bonds at the end of the third year.

(32) The Bank issued Total Loss-absorbing Capacity Eligible Non-capital Bonds in an amount of RMB50 billion on 15 August 2025. The bonds have a maturity of 4 years with a fixed coupon rate of 1.93%. The Bank is entitled to redeem the bonds at the end of the third year.

(33) The Bank issued Total Loss-absorbing Capacity Eligible Non-capital Bonds in an amount of RMB40 billion on 19 May 2026. The bonds have a maturity of 4 years with a fixed coupon rate of 1.72%. The Bank is entitled to redeem the bonds at the end of the third year.

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

(35) US Dollar Debt Securities, RMB Debt Securities and other Debt Securities were issued in Chinese mainland, Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions between 2015 and 30 June 2026 by the Group, with dates of maturity ranging from July 2026 to 2034.

(36) The Group designates certain bonds issued as financial liabilities at fair value through profit or loss, to eliminate or significantly reduce accounting mismatch. The differences between the fair value and the amount that the Group would be contractually required to pay to the holders as at 30 June 2026 and 31 December 2025 were not significant. For the six-month period ended 30 June 2026 and the year ended 31 December 2025, there was no significant change in the Group's credit risk nor changes in the fair value of these financial liabilities as a result.

(37) For the six-month period ended 30 June 2026 and the year ended 31 December 2025, the Group did not default on any principal, interest or redemption amounts with respect to its bonds issued.

(Amounts in millions of Renminbi, unless otherwise stated)

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

25 Deferred income taxes

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

	As at 30 June 2026		As at 31 December 2025	
	Temporary differences	**Deferred tax assets/ (liabilities)**	**Temporary differences**	**Deferred tax assets/ (liabilities)**
Deferred income tax assets	293,087	74,186	336,540	82,107
Deferred income tax liabilities	(67,245)	(10,577)	(69,208)	(10,379)
Net	225,842	63,609	267,332	71,728

(Amounts in millions of Renminbi, unless otherwise stated)

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

25 Deferred income taxes (Continued)

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

	As at 30 June 2026		As at 31 December 2025	
	Temporary differences	**Deferred tax assets/ (liabilities)**	**Temporary differences**	**Deferred tax assets/ (liabilities)**
Deferred income tax assets				
Asset impairment allowances	382,499	94,977	368,842	91,594
Pension, retirement benefits and salary payables	33,658	8,385	42,213	10,531
Financial instruments at fair value through profit or loss and derivative financial instruments	101,080	25,267	117,449	29,362
Financial assets at fair value through other comprehensive income	8,188	2,103	4,787	1,073
Other temporary differences	88,917	18,110	85,840	17,745
Subtotal	614,342	148,842	619,131	150,305
Deferred income tax liabilities				
Financial instruments at fair value through profit or loss and derivative financial instruments	(117,134)	(29,228)	(117,869)	(29,376)
Financial assets at fair value through other comprehensive income	(82,467)	(21,034)	(76,516)	(19,200)
Depreciation and amortisation	(56,944)	(8,983)	(58,657)	(8,893)
Revaluation of investment properties	(12,401)	(2,473)	(12,399)	(2,462)
Other temporary differences	(119,554)	(23,515)	(86,358)	(18,646)
Subtotal	(388,500)	(85,233)	(351,799)	(78,577)
Net	225,842	63,609	267,332	71,728

As at 30 June 2026, deferred tax liabilities relating to temporary differences of RMB250,966 million associated with the Group's investments in subsidiaries had not been recognised (31 December 2025: RMB254,319 million).

(Amounts in millions of Renminbi, unless otherwise stated)

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

25 Deferred income taxes (Continued)

25.3 Movements of the deferred income tax are as follows:

	Six-month period ended 30 June 2026	**Year ended 31 December 2025**
As at 1 January	71,728	53,561
(Charged)/credited to the statement of profit or loss (Note III.9)	(7,774)	8,234
(Charged)/credited to other comprehensive income	(424)	9,823
Other	79	110
As at 30 June/31 December	63,609	71,728

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

	Six-month period ended 30 June	
	2026	**2025**
Asset impairment allowances	3,383	665
Financial instruments at fair value through profit or loss and derivative financial instruments	(3,947)	658
Pension, retirement benefits and salary payables	(2,146)	(2,306)
Other temporary differences	(5,064)	(547)
Total	(7,774)	(1,530)

(Amounts in millions of Renminbi, unless otherwise stated)

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

26 Other liabilities

	As at 30 June 2026	As at 31 December 2025
Insurance contract liabilities	410,503	367,026
Items in the process of clearance and settlement	120,568	89,727
Salary and welfare payables	46,277	56,683
Dividends payable	42,449	12,231
Lease liabilities	18,104	18,375
Provision	14,807	17,304
— Allowance for credit commitments	13,695	15,963
— Allowance for litigation losses (Note III.29.1)	1,112	1,341
Deferred income	7,278	7,355
Other	79,210	89,226
Total	739,196	657,927

(Amounts in millions of Renminbi, unless otherwise stated)

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

27 Share capital, other equity instruments and capital reserve

27.1 Share capital

The Bank's share capital is as follows:

Unit: Share

	As at 30 June 2026	As at 31 December 2025
Domestic listed A shares, par value of RMB1.00 per share	238,590,135,419	238,590,135,419
Overseas listed H shares, par value of RMB1.00 per share	83,622,276,395	83,622,276,395
Total	322,212,411,814	322,212,411,814

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

(Amounts in millions of Renminbi, unless otherwise stated)

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

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

27.2 Other equity instruments

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

	As at 1 January 2026		Increase/(decrease)		As at 30 June 2026	
	Quantity (million shares)	Issue amount	Quantity (million shares)	Issue/ (redemption) amount	Quantity (million shares)	Issue amount
Preference Shares						
Domestic Preference Shares (Third Tranche)	730	73,000	–	–	730	73,000
Domestic Preference Shares (Fourth Tranche)	270	27,000	–	–	270	27,000
Subtotal (1)	1,000	100,000	–	–	1,000	100,000
Perpetual Bonds						
2021 Undated Capital Bonds (Series 1) (2)		50,000		(50,000)		–
2021 Undated Capital Bonds (Series 2)		20,000		–		20,000
2022 Undated Capital Bonds (Series 1)		30,000		–		30,000
2022 Undated Capital Bonds (Series 2)		20,000		–		20,000
2023 Undated Capital Bonds (Series 1)		30,000		–		30,000
2024 Undated Capital Bonds (Series 1)		30,000		–		30,000
2024 Undated Capital Bonds (Series 2)		20,000		–		20,000
2025 Undated Capital Bonds (Series 1)		30,000		–		30,000
2025 Undated Capital Bonds (Series 2)		40,000		–		40,000
2026 Undated Capital Bonds (Series 1) (3)		–		30,000		30,000
Subtotal (4)		270,000		(20,000)		250,000
Total		370,000		(20,000)		350,000

As at 30 June 2026, the transaction costs of outstanding other equity instruments issued by the Bank were RMB60 million (31 December 2025: RMB69 million).

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

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

27.2 Other equity instruments (Continued)

(1) Save for such dividend at the agreed dividend payout ratio, the holders of the above preference shares shall not be entitled to share in the distribution of the remaining profits of the Bank together with the holders of the ordinary shares. The above preference shares bear non-cumulative dividends. The Bank shall be entitled to cancel any dividend on the preference shares, and such cancellation shall not constitute a default. However, the Bank shall not distribute profits to ordinary shareholders until resumption of full payment of dividends on the preference shares. Upon the occurrence of a triggering event for the compulsory conversion of preference shares into ordinary shares in accordance with the agreement, the Bank shall convert the preference shares into ordinary shares in whole or in part after reporting to the relevant regulatory authorities for its examination and approval decision. As at 30 June 2026, the above preference shares have not been converted to ordinary shares.

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

(2) With the approval of the National Financial Regulatory Administration ("NFRA"), the Bank fully redeemed the 2021 Undated Capital Bonds (Series 1) on 19 May 2026, with the redemption amount of RMB50 billion.

(3) With the approvals by the relevant regulatory authorities in China, the Bank issued RMB30,000 million write-down undated capital bonds in the Chinese mainland interbank bond market on 13 May 2026 and completed the issuance on 15 May 2026. The denomination of the bonds is RMB100 each, and the annual interest rate of the bonds for the first five years is 1.95%, which is reset every 5 years.

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

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

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

(Amounts in millions of Renminbi, unless otherwise stated)

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

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

27.2 Other equity instruments (Continued)

Interests attributable to the holders of equity instruments

	As at 30 June 2026	As at 31 December 2025
Total equity attributable to equity holders of the Bank	3,100,655	3,064,044
— Equity attributable to ordinary shareholders of the Bank	2,750,691	2,694,091
— Equity attributable to other equity holders of the Bank	349,964	369,953
Total equity attributable to non-controlling interests	139,729	144,080
— Equity attributable to non-controlling interests of ordinary shares	130,210	134,561
— Equity attributable to non-controlling interests of other equity instruments	9,519	9,519

27.3 Capital reserve

	As at 30 June 2026	As at 31 December 2025
Share premium and others	272,466	272,304

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

28 Dividends

Dividends for Ordinary Shares

A 2025 final cash dividend of RMB1.169 per ten ordinary shares (before tax) amounting to RMB37,667 million (before tax) in total was approved at the Annual General Meeting of 2025 held on 26 June 2026. Such cash dividend was distributed on 10 July 2026 and 19 August 2026 after the appropriate withholding of individual and enterprise income taxes. The dividend declared but not yet distributed has been recorded in "Other liabilities" as at 30 June 2026.

A 2026 interim ordinary share cash dividend, proposed by the Board of Directors of the Bank, of RMB1.190 per ten shares (before tax) amounting to a total dividend of RMB38,343 million (before tax), based on the number of shares issued as at 30 June 2026, will be proposed for approval at the forthcoming General Meeting and the dividend payable is not reflected in the liabilities of the interim financial statements.

Dividends for Preference Shares

Dividend distributions of Domestic Preference Shares (Third Tranche and Fourth Tranche) were approved by the Board of Directors of the Bank at the fourth meeting of the Board of Directors in 2026. Dividend of Domestic Preference Shares (Third Tranche) amounting to RMB2,540.4 million (before tax) was distributed on 29 June 2026. Dividend of Domestic Preference Shares (Fourth Tranche) amounting to RMB882.9 million (before tax) will be distributed on 31 August 2026 and has been recorded in "Other liabilities" as at 30 June 2026.

Interest on Perpetual Bonds

The Bank distributed interest on the 2022 Undated Capital Bonds (Series 1) amounting to RMB1,095 million on 13 April 2026.

The Bank distributed interest on the 2022 Undated Capital Bonds (Series 2) amounting to RMB730 million on 28 April 2026.

The Bank distributed interest on the 2021 Undated Capital Bonds (Series 1) amounting to RMB2,040 million on 19 May 2026.

The Bank distributed interest on the 2023 Undated Capital Bonds (Series 1) amounting to RMB981 million on 16 June 2026.

(Amounts in millions of Renminbi, unless otherwise stated)

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

29 Contingent liabilities and commitments

29.1 Legal proceedings and arbitrations

As at 30 June 2026, the Group was involved in certain litigation and arbitration cases in the regular course of its business. In the Group's regular business operations in different countries and regions across the world, given the range and scale of its international presence, the Group may be involved in a variety of litigation, arbitration and judicial proceedings within different jurisdictions, and the ultimate outcomes of these proceedings involve various levels of uncertainty. Management makes provisions for potential losses that may arise from these uncertainties based on assessments of potential liabilities, legal documents, legal opinion letters and other relevant materials, and as at 30 June 2026, the balance of the provisions was RMB1,112 million (31 December 2025: RMB1,341 million), as disclosed in Note III.26. Senior management of the Group believes that, at the current stage, these matters will not have a material impact on the financial position or operating results of the Group. Should the ultimate outcomes of these matters differ from the initially estimated amounts, such differences will impact the profit or loss in the period during which such a determination is made.

29.2 Assets pledged

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

	As at 30 June 2026	As at 31 December 2025
Debt securities	2,255,978	2,042,146
Bills	30	880
Total	2,256,008	2,043,026

(Amounts in millions of Renminbi, unless otherwise stated)

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

29 Contingent liabilities and commitments (Continued)

29.3 Collateral accepted

The Group accepts securities as collateral that are permitted to be sold or re-pledged in connection with reverse repurchase and derivative agreements with banks and other financial institutions. As at 30 June 2026, the fair value of collateral received from banks and other financial institutions accepted by the Group amounted to RMB38,317 million (31 December 2025: RMB253,681 million). As at 30 June 2026, the fair value of the collateral that the Group had sold or re-pledged, but was obligated to return, was RMB2,275 million (31 December 2025: RMB24 million). These transactions are conducted under standard terms in the normal course of business.

29.4 Capital commitments

	As at 30 June 2026	As at 31 December 2025
Property and equipment		
— Contracted but not provided for	121,123	136,112
— Authorised but not contracted for	5,314	1,454
Intangible assets		
— Contracted but not provided for	2,321	2,349
— Authorised but not contracted for	274	304
Investment properties and others		
— Contracted but not provided for	103	30
— Authorised but not contracted for	–	10
Total	129,135	140,259

29.5 Treasury bonds redemption commitments

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

As at 30 June 2026, the outstanding principal value of the Treasury bonds sold by the Bank under obligation to redeem prior to maturity amounted to RMB42,810 million (31 December 2025: RMB41,798 million). The original maturities of these Treasury bonds vary from 3 to 5 years and management expects the amount of redemption through the Bank prior to the maturity dates of these bonds will not be material.

(Amounts in millions of Renminbi, unless otherwise stated)

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

29 Contingent liabilities and commitments (Continued)

29.6 Credit commitments

	As at 30 June 2026	As at 31 December 2025
Loan commitments		
— with an original maturity of less than 1 year	46,348	51,282
— with an original maturity of 1 year or above	477,030	491,623
Undrawn credit card limits	928,753	917,524
Letters of guarantee issued(1)		
— Financing letters of guarantee	15,254	15,949
— Non-financing letters of guarantee	1,217,660	1,209,806
Bank bill acceptance	950,262	999,821
Letters of credit issued		
— Sight letters of credit	97,830	97,563
— Usance letters of credit	56,621	44,469
Accepted bills of exchange under letters of credit	147,597	115,514
Other	43,814	44,276
Total(2)	3,981,169	3,987,827

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

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

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

	As at 30 June 2026	As at 31 December 2025
Credit commitments	1,327,021	1,254,687

(Amounts in millions of Renminbi, unless otherwise stated)

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

29 Contingent liabilities and commitments (Continued)

29.7 Underwriting obligations

As at 30 June 2026, there was no firm commitment in underwriting securities of the Group (31 December 2025: Nil).

30 Note to the condensed consolidated interim statement of cash flows

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

	As at 30 June 2026	**As at 30 June 2025**
Cash and due from banks and other financial institutions	525,549	414,945
Balances with central banks	689,653	668,530
Placements with and loans to banks and other financial institutions	412,239	474,938
Financial investments	283,308	324,332
Total	1,910,749	1,882,745

31 Related party transactions

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

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

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

(Amounts in millions of Renminbi, unless otherwise stated)

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

31 Related party transactions (Continued)

31.2 Transactions with Huijin and companies under Huijin

Huijin was established on 16 December 2003 as a wholly state-owned company. It was registered in Beijing with registered capital of RMB828,209 million. As a wholly-owned subsidiary of CIC, Huijin makes equity investments in major state-owned financial institutions, as authorised by the State Council. To the extent of its capital contribution, Huijin exercises its rights and fulfils its obligations as an investor in major state-owned financial institutions on behalf of the State, in accordance with applicable laws aimed at preserving and enhancing the value of state-owned financial assets. Huijin neither engages in other business activities nor intervenes in the daily operation of the major state-owned financial institutions of which it is the controlling shareholder. As at 30 June 2026, Huijin directly held 58.59% of shares of the Bank.

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

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

(1) Transactions with Huijin

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

Transaction balances

	As at 30 June 2026	As at 31 December 2025
Financial investments	62,944	63,960
Placements with Huijin	–	36,400
Due to Huijin	(271,606)	(93,498)

Transaction amounts

	Six-month period ended 30 June	
	2026	2025
Interest income	654	1,290
Interest expense	(819)	(305)

(Amounts in millions of Renminbi, unless otherwise stated)

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

31 Related party transactions (Continued)

31.2 Transactions with Huijin and companies under Huijin (Continued)

(2) Transactions with companies under Huijin

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

Transaction balances

	As at 30 June 2026	As at 31 December 2025
Due from banks and other financial institutions	79,574	84,460
Placements with and loans to banks and other financial institutions	419,393	387,768
Financial investments	1,043,185	943,394
Derivative financial assets	6,979	7,150
Loans and advances to customers	45,926	51,330
Due to customers, banks and other financial institutions	(672,105)	(714,496)
Placements from banks and other financial institutions	(248,047)	(199,426)
Derivative financial liabilities	(11,122)	(7,453)
Credit commitments	24,457	19,468

Transaction amounts

	Six-month period ended 30 June	
	2026	2025
Interest income	13,895	10,102
Interest expense	(11,583)	(13,660)

(Amounts in millions of Renminbi, unless otherwise stated)

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

31 Related party transactions (Continued)

31.3 Transactions with MOF

The MOF is a ministry under the State Council of the PRC, primarily responsible for, among others, state fiscal revenues, expenses and taxation policies. As at 30 June 2026, the MOF directly held 8.64% of shares of the Bank. The Group enters into transactions with the MOF in the normal course of business on commercial terms.

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

Transaction balances

	As at 30 June 2026	**As at 31 December 2025**
The PRC Treasury bonds and the Special Purpose Treasury Bond	1,656,532	1,485,399

For the six-month period ended 30 June 2026, the transaction amount of interest income on Treasury bonds that the Group entered into with the MOF is RMB16,460 million (For the period from the date that the MOF became the Bank's shareholder to 30 June 2025: RMB1,266 million).

(Amounts in millions of Renminbi, unless otherwise stated)

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

31 Related party transactions (Continued)

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

As at 30 June 2026, base on the register maintained in accordance with section 336 of the Securities and Futures Ordinance (SFO) of Hong Kong (China), China CITIC Financial Asset Management Co., Ltd. ("CITIC Financial AMC") held approximately 4.93% of shares of the Bank, and nominated a director to the Bank. Companies under CITIC Financial AMC include its equity interests in subsidiaries and joint ventures. The Group enters into transactions with these companies in the normal course of business on commercial terms which mainly include purchase and sale of debt securities and money market transactions.

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

Transaction balances

	As at 30 June 2026	**As at 31 December 2025**
Placements with and loans to banks and other financial institutions	29,200	32,700
Financial investments and others	3,508	3,513
Due to customers, banks and other financial institutions	(15,691)	(13,320)

For the six-month period ended 30 June 2026, the transaction amounts of interest income and interest expense that the Group entered into with CITIC Financial AMC and companies under CITIC Financial AMC are RMB458 million and RMB92 million, respectively (Six-month period ended 30 June 2025: RMB359 million and RMB39 million).

(Amounts in millions of Renminbi, unless otherwise stated)

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

31 Related party transactions (Continued)

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

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

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

31.6 Transactions with associates and joint ventures

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

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

Transaction balances

	As at 30 June 2026	As at 31 December 2025
Loans and advances to customers	31,703	27,670
Due to customers, banks and other financial institutions	(25,065)	(26,911)
Credit commitments	19,771	29,216

Transaction amounts

	Six-month period ended 30 June	
	2026	2025
Interest income	380	425
Interest expense	(201)	(174)

(Amounts in millions of Renminbi, unless otherwise stated)

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

31 Related party transactions (Continued)

31.7 Transactions with the Annuity Fund

As at 30 June 2026, apart from the obligations for defined contributions to the Annuity Fund established by the Group and the Bank, Annuity Fund held financial instruments issued by the Bank of RMB1,398 million (31 December 2025: RMB1,277 million).

31.8 Transactions with key management personnel

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

The Group enters into banking transactions with key management personnel in the normal course of business. During the six-month period ended 30 June 2026 and the year ended 31 December 2025, there were no material transactions and balances with key management personnel on an individual basis.

31.9 Transactions with Connected Natural Persons

As at 30 June 2026, the Group's balance of loans and overdrafts to the connected natural persons according to relevant rules of Shanghai Stock Exchange totalled RMB138 million (as at 31 December 2025: RMB143 million).

31.10 Transactions with subsidiaries

The main transactions with subsidiaries are as follows:

Transaction balances

	As at 30 June 2026	As at 31 December 2025
Due from banks and other financial institutions	34,433	34,264
Placements with and loans to banks and other financial institutions and loans and advances to customers	273,077	297,095
Derivative financial assets	7,345	10,646
Due to customers, banks and other financial institutions	(99,896)	(140,437)
Placements from banks and other financial institutions	(152,746)	(152,363)
Derivative financial liabilities	(2,896)	(3,897)

Transaction amounts

	Six-month period ended 30 June	
	2026	2025
Interest income	3,200	3,635
Interest expense	(3,063)	(3,098)

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

32 Segment reporting

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

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

Geographical segments

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

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

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

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

32 Segment reporting (Continued)

Business segments

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

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

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

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

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

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

(Amounts in millions of Renminbi, unless otherwise stated)

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

32 Segment reporting (Continued)

As at and for the six-month period ended 30 June 2026

		Hong Kong (China), Macao (China), Taiwan (China)					
	Chinese mainland	BOCHK Group	Other	Subtotal	Other countries and regions	Elimination	Total
Interest income	395,863	47,204	25,134	72,338	51,828	(23,894)	496,135
Interest expense	(197,186)	(25,727)	(20,276)	(46,003)	(40,029)	23,816	(259,402)
Net interest income	198,677	21,477	4,858	26,335	11,799	(78)	236,733
Fee and commission income	41,487	7,057	3,613	10,670	4,311	(2,394)	54,074
Fee and commission expense	(4,665)	(1,839)	(1,004)	(2,843)	(1,468)	2,111	(6,865)
Net fee and commission income	36,822	5,218	2,609	7,827	2,843	(283)	47,209
Net trading gains	4,236	10,164	1,471	11,635	571	103	16,545
Net gains on transfers of financial asset	12,612	555	80	635	303	–	13,550
Other operating income	28,979	2,255	12,191	14,446	81	(430)	43,076
Operating income	281,326	39,669	21,209	60,878	15,597	(688)	357,113
Operating expenses	(98,845)	(12,315)	(11,135)	(23,450)	(4,970)	587	(126,678)
Impairment losses on assets	(64,009)	(2,173)	(1,710)	(3,883)	(128)	(56)	(68,076)
Operating profit	118,472	25,181	8,364	33,545	10,499	(157)	162,359
Share of results of associates and joint ventures	237	12	310	322	1	–	560
Profit before income tax	118,709	25,193	8,674	33,867	10,500	(157)	162,919
Income tax expense							(30,888)
Profit for the period							132,031
Segment assets	32,965,568	4,123,716	2,003,370	6,127,086	3,010,193	(1,956,221)	40,146,626
Investments in associates and joint ventures	25,128	646	13,927	14,573	24	–	39,725
Total assets	32,990,696	4,124,362	2,017,297	6,141,659	3,010,217	(1,956,221)	40,186,351
Including: non-current assets [1]	132,237	26,345	187,425	213,770	7,280	(4,142)	349,145
Segment liabilities	30,354,900	3,813,249	1,823,347	5,636,596	2,907,116	(1,952,645)	36,945,967
Other segment items:							
Intersegment net interest income/(expense)	5,165	422	2,930	3,352	(8,439)	(78)	–
Intersegment net fee and commission income/(expense)	303	(56)	135	79	(99)	(283)	–
Capital expenditure	14,082	1,345	13,932	15,277	59	–	29,418
Depreciation and amortisation	9,417	898	3,333	4,231	412	(507)	13,553
Credit commitments	3,165,245	278,121	62,928	341,049	576,715	(101,840)	3,981,169

(Amounts in millions of Renminbi, unless otherwise stated)

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

32 Segment reporting (Continued)

As at 31 December 2025 and for the six-month period ended 30 June 2025

		Hong Kong (China), Macao (China), Taiwan (China)					
	Chinese mainland	BOCHK Group	Other	Subtotal	Other countries and regions	Elimination	Total
Interest income	392,812	53,409	25,890	79,299	55,639	(24,419)	503,331
Interest expense	(211,983)	(33,278)	(22,852)	(56,130)	(44,751)	24,349	(288,515)
Net interest income	180,829	20,131	3,038	23,169	10,888	(70)	214,816
Fee and commission income	40,616	7,470	2,962	10,432	4,286	(2,225)	53,109
Fee and commission expense	(4,056)	(1,704)	(919)	(2,623)	(1,460)	1,821	(6,318)
Net fee and commission income	36,560	5,766	2,043	7,809	2,826	(404)	46,791
Net trading gains	6,975	16,174	3,669	19,843	1,281	89	28,188
Net gains/(losses) on transfers of financial asset	5,443	(1,027)	215	(812)	210	–	4,841
Other operating income	21,883	1,195	11,989	13,184	95	(380)	34,782
Operating income	251,690	42,239	20,954	63,193	15,300	(765)	329,418
Operating expenses	(90,894)	(13,376)	(11,011)	(24,387)	(4,804)	589	(119,496)
Impairment losses on assets	(53,515)	(3,054)	(1,226)	(4,280)	215	78	(57,502)
Operating profit	107,281	25,809	8,717	34,526	10,711	(98)	152,420
Share of results of associates and joint ventures	262	(5)	342	337	(1)	–	598
Profit before income tax	107,543	25,804	9,059	34,863	10,710	(98)	153,018
Income tax expense							(26,880)
Profit for the period							126,138
Segment assets	31,335,936	4,031,710	1,892,769	5,924,479	2,997,598	(1,941,011)	38,317,002
Investments in associates and joint ventures	24,953	794	15,303	16,097	24	–	41,074
Total assets	31,360,889	4,032,504	1,908,072	5,940,576	2,997,622	(1,941,011)	38,358,076
Including: non-current assets [(1)]	125,666	26,951	186,264	213,215	7,898	(4,579)	342,200
Segment liabilities	28,758,735	3,719,180	1,713,680	5,432,860	2,895,952	(1,937,595)	35,149,952
Other segment items:							
Intersegment net interest income/(expense)	751	244	4,802	5,046	(5,727)	(70)	–
Intersegment net fee and commission income/(expense)	442	(41)	126	85	(123)	(404)	–
Capital expenditure	3,823	858	11,161	12,019	101	–	15,943
Depreciation and amortisation	9,706	891	3,373	4,264	415	(498)	13,887
Credit commitments	3,157,566	303,697	63,790	367,487	559,086	(96,312)	3,987,827

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

(Amounts in millions of Renminbi, unless otherwise stated)

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

32 Segment reporting (Continued)

As at and for the six-month period ended 30 June 2026

	Corporate banking	Personal banking	Treasury operations	Investment banking	Insurance	Other	Elimination	Total
Interest income	248,614	176,292	154,765	1,207	2,323	5,465	(92,531)	496,135
Interest expense	(132,051)	(79,324)	(134,522)	(265)	(48)	(5,726)	92,534	(259,402)
Net interest income/(expense)	116,563	96,968	20,243	942	2,275	(261)	3	236,733
Fee and commission income	18,205	23,243	9,133	3,752	1	1,163	(1,423)	54,074
Fee and commission expense	(650)	(4,454)	(1,160)	(931)	(5)	(104)	439	(6,865)
Net fee and commission income	17,555	18,789	7,973	2,821	(4)	1,059	(984)	47,209
Net trading gains	987	494	8,585	274	4,395	1,807	3	16,545
Net gains on transfers of financial asset	384	17	13,040	29	75	5	–	13,550
Other operating income	73	23,405	236	366	8,535	11,886	(1,425)	43,076
Operating income	135,562	139,673	50,077	4,432	15,276	14,496	(2,403)	357,113
Operating expenses	(36,719)	(58,787)	(12,429)	(1,487)	(12,940)	(6,269)	1,953	(126,678)
Impairment losses on assets	(28,824)	(38,523)	(206)	(5)	(11)	(514)	7	(68,076)
Operating profit	70,019	42,363	37,442	2,940	2,325	7,713	(443)	162,359
Share of results of associates and joint ventures	–	–	–	236	(2)	374	(48)	560
Profit before income tax	70,019	42,363	37,442	3,176	2,323	8,087	(491)	162,919
Income tax expense								(30,888)
Profit for the period								132,031
Segment assets	18,296,603	6,789,783	13,940,736	75,333	429,315	801,890	(187,034)	40,146,626
Investments in associates and joint ventures	–	–	–	8,267	200	31,496	(238)	39,725
Total assets	18,296,603	6,789,783	13,940,736	83,600	429,515	833,386	(187,272)	40,186,351
Segment liabilities	17,670,951	13,609,403	5,095,082	31,849	409,617	311,947	(182,882)	36,945,967
Other segment items:								
Intersegment net interest income/(expense)	14,862	76,317	(91,314)	166	2	(33)	–	–
Intersegment net fee and commission income/(expense)	215	677	72	(310)	(4)	325	(975)	–
Capital expenditure	953	1,108	50	58	50	27,199	–	29,418
Depreciation and amortisation	4,475	4,368	1,550	209	42	3,589	(680)	13,553
Credit commitments	2,970,560	1,010,609	–	–	–	–	–	3,981,169

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

(Amounts in millions of Renminbi, unless otherwise stated)

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

32 Segment reporting (Continued)

As at 31 December 2025 and for the six-month period ended 30 June 2025

	Corporate banking	Personal banking	Treasury operations	Investment banking	Insurance	Other	Elimination	Total
Interest income	240,591	186,653	154,712	1,431	2,336	5,363	(87,755)	503,331
Interest expense	(141,060)	(92,051)	(136,712)	(466)	(191)	(5,796)	87,761	(288,515)
Net interest income/(expense)	99,531	94,602	18,000	965	2,145	(433)	6	214,816
Fee and commission income	18,104	22,112	9,859	4,148	2	1,122	(2,238)	53,109
Fee and commission expense	(642)	(3,894)	(2,084)	(808)	(1)	(78)	1,189	(6,318)
Net fee and commission income	17,462	18,218	7,775	3,340	1	1,044	(1,049)	46,791
Net trading gains	1,895	717	18,347	398	5,885	936	10	28,188
Net gains on transfers of financial asset	379	12	4,367	4	79	–	–	4,841
Other operating income	172	16,495	348	96	7,952	10,921	(1,202)	34,782
Operating income	119,439	130,044	48,837	4,803	16,062	12,468	(2,235)	329,418
Operating expenses	(36,125)	(52,343)	(11,849)	(1,642)	(13,755)	(5,788)	2,006	(119,496)
Impairment losses on assets	(24,009)	(38,132)	5,488	(3)	4	(1,314)	464	(57,502)
Operating profit	59,305	39,569	42,476	3,158	2,311	5,366	235	152,420
Share of results of associates and joint ventures	–	–	–	205	10	460	(77)	598
Profit before income tax	59,305	39,569	42,476	3,363	2,321	5,826	158	153,018
Income tax expense								(26,880)
Profit for the period								126,138
Segment assets	17,103,781	6,791,085	13,328,897	78,616	393,377	796,276	(175,030)	38,317,002
Investments in associates and joint ventures	–	–	–	8,034	203	33,102	(265)	41,074
Total assets	17,103,781	6,791,085	13,328,897	86,650	393,580	829,378	(175,295)	38,358,076
Segment liabilities	16,796,399	13,107,470	4,687,421	36,754	374,465	318,566	(171,123)	35,149,952
Other segment items:								
Intersegment net interest income/(expense)	7,797	78,619	(86,543)	220	1	(94)	–	–
Intersegment net fee and commission income/(expense)	216	799	63	(329)	–	300	(1,049)	–
Capital expenditure	1,098	1,264	58	36	41	13,446	–	15,943
Depreciation and amortisation	4,698	4,670	1,574	229	40	3,322	(646)	13,887
Credit commitments	2,985,663	1,002,164	–	–	–	–	–	3,987,827

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

33 Transfers of financial assets

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

Repurchase agreements and securities lending transactions

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

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

	As at 30 June 2026		As at 31 December 2025	
	Carrying amount of transferred assets	Carrying amount of associated liabilities	Carrying amount of transferred assets	Carrying amount of associated liabilities
Repurchase agreements	152,960	149,704	33,060	32,140

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

33 Transfers of financial assets (Continued)

Credit assets transfers

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

With respect to the credit assets that were securitised and qualified for derecognition, the Group derecognises the transferred credit assets in their entirety. The corresponding total carrying amount of asset-backed securities held by the Group in such securitisation transactions was RMB960 million as at 30 June 2026 (31 December 2025: RMB757 million), which also approximates the Group's maximum exposure to loss.

For those in which the Group has neither transferred nor retained substantially all the risks and rewards of the transferred credit assets, and retained control of the credit assets, the transferred credit assets are recognised in the statement of financial position to the extent of the Group's continuing involvement. For the six-month periods ended 30 June 2026 and 30 June 2025, there was no credit asset transfer transaction which resulted in new continuing involvement through acquiring tranches by the Group and the carrying amount of assets that the Group continues to recognise in the statement of financial position was RMB13,318 million as at 30 June 2026 (31 December 2025: RMB14,946 million).

34 Interests in structured entities

The Group is principally involved with structured entities through financial investments, asset management and credit assets transfers. These structured entities generally finance the purchase of assets by issuing securities or by other means. The Group determines whether or not to consolidate these structured entities depending on whether the Group has control over them.

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

34 Interests in structured entities (Continued)

34.1 Unconsolidated structured entities

Structured entities sponsored and managed by the Group

In conducting the asset management business, the Group established various structured entities to provide customers specialised investment opportunities within well-defined objectives and narrow range, including wealth management products, funds and asset management plans. The Group earned management fee, commission and custodian fee in return.

As at 30 June 2026, after considering the impact of relevant joint activities of structured entities within the Group, the balance of wealth management products sponsored and managed by the Group amounted to RMB1,936,076 million (31 December 2025: RMB1,964,754 million), and funds and asset management plans amounted to RMB1,329,260 million (31 December 2025: RMB1,266,322 million).

For the six-month period ended 30 June 2026, the above-mentioned commission, custodian fees and management fees amounted to RMB3,496 million (Six-month period ended 30 June 2025: RMB4,669 million).

For the purpose of asset-liability management, wealth management products may require short-term financing from the Group and other banks. The Group is not contractually obliged to provide any financing to these products. The Group may enter into reverse repurchase and placement transactions with these wealth management products in accordance with market principles. Such financing provided by the Group was included in "Placements with and loans to banks and other financial institutions". For the six-month periods ended 30 June 2026 and 30 June 2025, the Group did not provide any such financing. As at 30 June 2026 and 31 December 2025, the Group did not have any outstanding financing balance and there was no such exposure to these wealth management products.

In addition, the total carrying amount as at the transfer date of credit assets transferred by the Group into the unconsolidated structured entities was RMB6,806 million for the six-month period ended 30 June 2026 (Six-month period ended 30 June 2025: RMB3,046 million). For the description of the portion of asset-backed securities issued by the above structured entities and held by the Group, refer to Note III.33.

(Amounts in millions of Renminbi, unless otherwise stated)

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

34 Interests in structured entities (Continued)

34.1 Unconsolidated structured entities (Continued)

Structured entities sponsored by other financial institutions

The structured entities sponsored by other financial institutions in which the Group holds investments are set out below:

Structured entity type	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total	Maximum exposure to loss
As at 30 June 2026					
Fund investments	130,204	–	–	130,204	130,204
Investment trusts and asset management plans	4,229	6,987	13,836	25,052	25,052
Asset-backed securitisations	2,439	167,925	63,955	234,319	234,319
As at 31 December 2025					
Fund investments	118,137	–	–	118,137	118,137
Investment trusts and asset management plans	2,160	7,402	15,751	25,313	25,313
Asset-backed securitisations	834	160,166	70,546	231,546	231,546

34.2 Consolidated structured entities

The Group's consolidated structured entities mainly consist of open-end funds, private equity funds, trusts for asset-backed securities, and special-purpose companies. The Group controls these entities because the Group has power over, is exposed to, or has rights to variable returns from its involvement with these entities and has the ability to use its power over these entities to affect the amount of the Group's returns.

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

35 Events after the financial reporting period

Issuance of 2026 Undated Capital Bonds (Series 2)

On 20 July 2026, the Bank issued write-down undated capital bonds amounting to RMB30 billion and completed the issuance on 22 July 2026. The issuance details have been set out in the Bank's announcement dated 22 July 2026.

Issuance of 2026 Undated Capital Bonds (Series 3)

On 20 August 2026, the Bank issued write-down undated capital bonds amounting to RMB20 billion and completed the issuance on 24 August 2026. The issuance details have been set out in the Bank's announcement dated 24 August 2026.

Issuance of 2026 Green Financial Bonds (Series 1)

On 21 August 2026, the Bank issued green financial bonds amounting to RMB20 billion and completed the issuance on 25 August 2026.

(Amounts in millions of Renminbi, unless otherwise stated)

IV FINANCIAL RISK MANAGEMENT

1 Credit risk

1.1 Loans and advances

(1) Concentrations of risk for loans and advances to customers

(i) Analysis of loans and advances to customers by geographical area

Group

	As at 30 June 2026		As at 31 December 2025	
	Amount	**% of total**	**Amount**	**% of total**
Chinese mainland	21,492,180	87.03%	20,283,221	86.65%
Hong Kong (China), Macao (China), Taiwan (China)	2,028,638	8.21%	2,004,182	8.56%
Other countries and regions	1,174,469	4.76%	1,120,111	4.79%
Total	24,695,287	100.00%	23,407,514	100.00%

Chinese mainland

	As at 30 June 2026		As at 31 December 2025	
	Amount	**% of total**	**Amount**	**% of total**
Northern China	3,122,045	14.52%	2,989,130	14.74%
Northeastern China	767,377	3.57%	728,078	3.59%
Eastern China	8,811,044	41.00%	8,276,921	40.81%
Central and Southern China	5,832,437	27.14%	5,530,018	27.26%
Western China	2,959,277	13.77%	2,759,074	13.60%
Total	21,492,180	100.00%	20,283,221	100.00%

(Amounts in millions of Renminbi, unless otherwise stated)

IV FINANCIAL RISK MANAGEMENT (Continued)

1 Credit risk (Continued)

1.1 Loans and advances (Continued)

(1) Concentrations of risk for loans and advances to customers (Continued)

(ii) Analysis of loans and advances to customers by customer type

	Chinese mainland	Hong Kong (China), Macao (China), Taiwan (China)	Other countries and regions	Total
As at 30 June 2026				
Corporate loans and advances				
— Trade bills	2,610,400	68,041	119,356	2,797,797
— Other	12,862,405	1,243,355	970,757	15,076,517
Personal loans	6,019,375	717,242	84,356	6,820,973
Total	21,492,180	2,028,638	1,174,469	24,695,287
As at 31 December 2025				
Corporate loans and advances				
— Trade bills	2,416,602	58,123	102,328	2,577,053
— Other	11,843,543	1,219,918	941,797	14,005,258
Personal loans	6,023,076	726,141	75,986	6,825,203
Total	20,283,221	2,004,182	1,120,111	23,407,514

(Amounts in millions of Renminbi, unless otherwise stated)

IV FINANCIAL RISK MANAGEMENT (Continued)

1 Credit risk (Continued)

1.1 Loans and advances (Continued)

(1) Concentrations of risk for loans and advances to customers (Continued)

(iii) Analysis of loans and advances to customers by industry

Group

	As at 30 June 2026		As at 31 December 2025	
	Amount	**% of total**	**Amount**	**% of total**
Corporate loans and advances				
Commerce and services	4,995,338	20.23%	4,379,457	18.71%
Manufacturing	3,948,391	15.99%	3,530,688	15.08%
Transportation, storage and postal services	2,678,124	10.84%	2,583,323	11.04%
Production and supply of electricity, heating, gas and water	1,779,876	7.21%	1,718,987	7.34%
Real estate	1,476,421	5.98%	1,518,197	6.49%
Financial services	968,441	3.92%	951,541	4.07%
Construction	682,980	2.77%	599,771	2.56%
Water, environment and public utility management	515,885	2.09%	485,961	2.08%
Mining	385,923	1.56%	374,620	1.60%
Public utilities	272,447	1.10%	263,843	1.13%
Other	170,488	0.69%	175,923	0.74%
Subtotal	17,874,314	72.38%	16,582,311	70.84%
Personal loans				
Residential mortgages	4,498,440	18.22%	4,572,805	19.54%
Credit cards	460,118	1.86%	498,822	2.13%
Other	1,862,415	7.54%	1,753,576	7.49%
Subtotal	6,820,973	27.62%	6,825,203	29.16%
Total	24,695,287	100.00%	23,407,514	100.00%

(Amounts in millions of Renminbi, unless otherwise stated)

IV FINANCIAL RISK MANAGEMENT (Continued)

1 Credit risk (Continued)

1.1 Loans and advances (Continued)

(1) Concentrations of risk for loans and advances to customers (Continued)

(iii) Analysis of loans and advances to customers by industry (Continued)

Chinese mainland

	As at 30 June 2026		As at 31 December 2025	
	Amount	**% of total**	**Amount**	**% of total**
Corporate loans and advances				
Commerce and services	4,504,538	20.96%	3,915,566	19.30%
Manufacturing	3,627,690	16.88%	3,229,361	15.92%
Transportation, storage and postal services	2,442,186	11.36%	2,374,684	11.71%
Production and supply of electricity, heating, gas and water	1,481,105	6.89%	1,429,773	7.05%
Real estate	948,470	4.41%	966,833	4.77%
Financial services	673,500	3.13%	686,713	3.39%
Construction	637,394	2.97%	557,679	2.75%
Water, environment and public utility management	504,433	2.35%	475,795	2.35%
Mining	293,218	1.36%	281,028	1.39%
Public utilities	242,533	1.13%	235,105	1.16%
Other	117,738	0.55%	107,608	0.52%
Subtotal	15,472,805	71.99%	14,260,145	70.31%
Personal loans				
Residential mortgages	3,906,686	18.18%	3,982,786	19.64%
Credit cards	449,195	2.09%	486,005	2.40%
Other	1,663,494	7.74%	1,554,285	7.65%
Subtotal	6,019,375	28.01%	6,023,076	29.69%
Total	21,492,180	100.00%	20,283,221	100.00%

(Amounts in millions of Renminbi, unless otherwise stated)

IV FINANCIAL RISK MANAGEMENT (Continued)

1 Credit risk (Continued)

1.1 Loans and advances (Continued)

(1) Concentrations of risk for loans and advances to customers (Continued)

(iv) Analysis of loans and advances to customers by collateral type

Group

	As at 30 June 2026		As at 31 December 2025	
	Amount	**% of total**	**Amount**	**% of total**
Unsecured loans	10,119,918	40.98%	9,439,362	40.33%
Guaranteed loans	4,060,786	16.44%	3,516,855	15.02%
Loans secured by mortgages	8,217,204	33.28%	8,249,547	35.24%
Pledged loans	2,297,379	9.30%	2,201,750	9.41%
Total	24,695,287	100.00%	23,407,514	100.00%

Chinese mainland

	As at 30 June 2026		As at 31 December 2025	
	Amount	**% of total**	**Amount**	**% of total**
Unsecured loans	8,617,129	40.09%	8,097,703	39.92%
Guaranteed loans	3,666,738	17.06%	3,132,983	15.45%
Loans secured by mortgages	7,246,850	33.72%	7,198,640	35.49%
Pledged loans	1,961,463	9.13%	1,853,895	9.14%
Total	21,492,180	100.00%	20,283,221	100.00%

(Amounts in millions of Renminbi, unless otherwise stated)

IV FINANCIAL RISK MANAGEMENT (Continued)

1 Credit risk (Continued)

1.1 Loans and advances (Continued)

(2) Analysis of impaired loans and advances to customers

(i) Impaired loans and advances by geographical area

Group

	As at 30 June 2026			As at 31 December 2025		
	Amount	% of total	Impaired loan ratio	Amount	% of total	Impaired loan ratio
Chinese mainland	258,348	85.60%	1.20%	239,277	83.07%	1.18%
Hong Kong (China), Macao (China), Taiwan (China)	31,444	10.42%	1.55%	36,535	12.68%	1.82%
Other countries and regions	12,012	3.98%	1.02%	12,224	4.25%	1.09%
Total	301,804	100.00%	1.22%	288,036	100.00%	1.23%

Chinese mainland

	As at 30 June 2026			As at 31 December 2025		
	Amount	% of total	Impaired loan ratio	Amount	% of total	Impaired loan ratio
Northern China	33,407	12.93%	1.07%	31,672	13.24%	1.06%
Northeastern China	12,577	4.87%	1.64%	12,925	5.40%	1.78%
Eastern China	81,359	31.49%	0.92%	77,960	32.58%	0.94%
Central and Southern China	100,493	38.90%	1.72%	88,037	36.79%	1.59%
Western China	30,512	11.81%	1.03%	28,683	11.99%	1.04%
Total	258,348	100.00%	1.20%	239,277	100.00%	1.18%

(Amounts in millions of Renminbi, unless otherwise stated)

IV FINANCIAL RISK MANAGEMENT (Continued)

1 Credit risk (Continued)

1.1 Loans and advances (Continued)

(2) Analysis of impaired loans and advances to customers (Continued)

(ii) Impaired loans and advances by customer type

Group

	As at 30 June 2026			As at 31 December 2025		
	Amount	% of total	Impaired loan ratio	Amount	% of total	Impaired loan ratio
Corporate loans and advances	216,247	71.65%	1.21%	218,809	75.97%	1.32%
Personal loans	85,557	28.35%	1.25%	69,227	24.03%	1.01%
Total	301,804	100.00%	1.22%	288,036	100.00%	1.23%

Chinese mainland

	As at 30 June 2026			As at 31 December 2025		
	Amount	% of total	Impaired loan ratio	Amount	% of total	Impaired loan ratio
Corporate loans and advances	176,074	68.15%	1.14%	173,322	72.44%	1.22%
Personal loans	82,274	31.85%	1.37%	65,955	27.56%	1.10%
Total	258,348	100.00%	1.20%	239,277	100.00%	1.18%

(Amounts in millions of Renminbi, unless otherwise stated)

IV FINANCIAL RISK MANAGEMENT (Continued)

1 Credit risk (Continued)

1.1 Loans and advances (Continued)

(2) Analysis of impaired loans and advances to customers (Continued)

(iii) Impaired loans and advances by geographical area and industry

	As at 30 June 2026			As at 31 December 2025		
	Amount	% of total	Impaired loan ratio	Amount	% of total	Impaired loan ratio
Chinese mainland						
Corporate loans and advances						
Commerce and services	48,925	16.21%	1.09%	47,401	16.46%	1.21%
Manufacturing	31,039	10.29%	0.86%	28,350	9.84%	0.88%
Transportation, storage and postal services	7,634	2.53%	0.31%	7,043	2.45%	0.30%
Production and supply of electricity, heating, gas and water	9,872	3.27%	0.67%	10,482	3.64%	0.73%
Real estate	57,866	19.17%	6.10%	60,519	21.01%	6.26%
Financial services	2	0.00%	0.00%	2	0.00%	0.00%
Construction	8,477	2.81%	1.33%	7,422	2.58%	1.33%
Water, environment and public utility management	5,724	1.90%	1.13%	4,783	1.66%	1.01%
Mining	1,064	0.35%	0.36%	1,824	0.64%	0.65%
Public utilities	3,954	1.31%	1.63%	4,078	1.42%	1.73%
Other	1,517	0.50%	1.29%	1,418	0.48%	1.32%
Subtotal	176,074	58.34%	1.14%	173,322	60.18%	1.22%
Personal loans						
Residential mortgages	37,313	12.36%	0.96%	23,882	8.29%	0.60%
Credit cards	10,636	3.53%	2.37%	10,611	3.68%	2.18%
Other	34,325	11.37%	2.06%	31,462	10.92%	2.02%
Subtotal	82,274	27.26%	1.37%	65,955	22.89%	1.10%
Total for Chinese mainland	258,348	85.60%	1.20%	239,277	83.07%	1.18%
Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions	43,456	14.40%	1.36%	48,759	16.93%	1.56%
Total	301,804	100.00%	1.22%	288,036	100.00%	1.23%

(Amounts in millions of Renminbi, unless otherwise stated)

IV FINANCIAL RISK MANAGEMENT (Continued)

1 Credit risk (Continued)

1.1 Loans and advances (Continued)

(2) Analysis of impaired loans and advances to customers (Continued)

(iv) Impaired loans and advances and related allowance by geographical area

	Impaired loans	Allowance for impairment losses	Net
As at 30 June 2026			
Chinese mainland	258,348	(192,461)	65,887
Hong Kong (China), Macao (China), Taiwan (China)	31,444	(15,314)	16,130
Other countries and regions	12,012	(6,853)	5,159
Total	301,804	(214,628)	87,176
As at 31 December 2025			
Chinese mainland	239,277	(183,979)	55,298
Hong Kong (China), Macao (China), Taiwan (China)	36,535	(15,423)	21,112
Other countries and regions	12,224	(7,601)	4,623
Total	288,036	(207,003)	81,033

(Amounts in millions of Renminbi, unless otherwise stated)

IV FINANCIAL RISK MANAGEMENT (Continued)

1 Credit risk (Continued)

1.1 Loans and advances (Continued)

(3) Rescheduled loans and advances

The Group adopts the *Measures for Risk Classification of Financial Assets of Commercial Banks* (CBIRC PBC Order [2023] No. 1) for its rescheduled loans and advances to customers.

As at 30 June 2026 and 31 December 2025, the amount of rescheduled loans and advances that were not more than 90 days overdue was not material.

(4) Overdue loans and advances to customers

Analysis of overdue loans and advances by geographical area

	As at 30 June 2026	**As at 31 December 2025**
Chinese mainland	295,551	255,292
Hong Kong (China), Macao (China), Taiwan (China)	31,035	33,337
Other countries and regions	8,361	7,315
Subtotal	334,947	295,944
Percentage	1.36%	1.26%
Less: total loans and advances to customers which have been overdue for less than 3 months	(117,169)	(89,183)
Total loans and advances to customers which have been overdue for more than 3 months	217,778	206,761

(Amounts in millions of Renminbi, unless otherwise stated)

IV FINANCIAL RISK MANAGEMENT (Continued)

1 Credit risk (Continued)

1.1 Loans and advances (Continued)

(5) Loans and advances by three-staging classification

Loans and advances to customers by five-category loan classification and three-staging classification are analysed as follows:

	12-month ECL	Lifetime ECL		Total
	Stage 1	Stage 2	Stage 3	
As at 30 June 2026				
Pass	23,816,810	195,794	–	24,012,604
Special-mention	–	356,413	–	356,413
Substandard	–	–	73,594	73,594
Doubtful	–	–	83,060	83,060
Loss	–	–	144,787	144,787
Total	23,816,810	552,207	301,441	24,670,458
As at 31 December 2025				
Pass	22,603,928	169,692	–	22,773,620
Special-mention	–	343,070	–	343,070
Substandard	–	–	52,790	52,790
Doubtful	–	–	103,082	103,082
Loss	–	–	132,143	132,143
Total	22,603,928	512,762	288,015	23,404,705

As at 30 June 2026 and 31 December 2025, loans and advances by five-category loan classification and three-staging classification did not include loans and advances to customers measured at fair value through profit or loss.

(6) Credit commitments

As at 30 June 2026 and 31 December 2025, credit risk exposures of credit commitments were mainly classified under Stage 1 and categorised as "Pass" in the five-category classifications.

(Amounts in millions of Renminbi, unless otherwise stated)

IV FINANCIAL RISK MANAGEMENT (Continued)

1 Credit risk (Continued)

1.2 Debt securities

The Group adopted a credit rating approach to manage the credit risk of the debt securities by referring to both internal and external credit rating. The carrying amounts (accrued interest excluded) of the debt investments analysed by external credit ratings at the financial reporting dates are as follows:

	Unrated	A to AAA	Lower than A	Total
As at 30 June 2026				
Issuers in Chinese mainland				
— Government	–	5,327,481	–	5,327,481
— Public sectors and quasi-governments	128,245	25,003	–	153,248
— Policy banks	–	1,099,427	–	1,099,427
— Financial institutions	10,002	308,962	245,757	564,721
— Corporate	137,454	186,645	34,026	358,125
— China Orient	152,433	–	–	152,433
Subtotal	428,134	6,947,518	279,783	7,655,435
Issuers in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions				
— Governments	729	1,164,520	79,259	1,244,508
— Public sectors and quasi-governments	144,524	528,428	205	673,157
— Financial institutions	7,622	282,725	58,404	348,751
— Corporate	13,501	98,902	29,165	141,568
Subtotal	166,376	2,074,575	167,033	2,407,984
Total	594,510	9,022,093	446,816	10,063,419

(Amounts in millions of Renminbi, unless otherwise stated)

IV FINANCIAL RISK MANAGEMENT (Continued)

1 Credit risk (Continued)

1.2 Debt securities (Continued)

	Unrated	A to AAA	Lower than A	Total
As at 31 December 2025				
Issuers in Chinese mainland				
— Government	–	4,827,077	–	4,827,077
— Public sectors and quasi-governments	133,204	17,028	–	150,232
— Policy banks	–	947,392	–	947,392
— Financial institutions	13,272	259,901	322,830	596,003
— Corporate	111,386	147,420	52,642	311,448
— China Orient	152,431	–	–	152,431
Subtotal	410,293	6,198,818	375,472	6,984,583
Issuers in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions				
— Governments	11,543	1,210,197	58,615	1,280,355
— Public sectors and quasi-governments	151,408	407,614	140	559,162
— Financial institutions	3,531	229,239	56,333	289,103
— Corporate	12,588	92,388	34,305	139,281
Subtotal	179,070	1,939,438	149,393	2,267,901
Total	589,363	8,138,256	524,865	9,252,484

IV FINANCIAL RISK MANAGEMENT (Continued)

1 Credit risk (Continued)

1.3 Measurement of ECL

The Group conducts assessments of ECL with reference to forward-looking information and uses a number of models and assumptions in its measurement of expected credit losses. These models and assumptions relate to the future macroeconomic conditions and borrowers' creditworthiness (e.g., the likelihood of default by customers and the corresponding losses). The Group uses judgements, assumptions and estimation techniques in order to measure ECL according to the requirements of accounting standards which include:

- Segmentation of financial instruments based on credit risk characteristics for losses
- Criteria for determining significant increases in credit risk
- Definition of default and credit-impaired financial assets
- Parameters for measuring ECL
- Forward-looking information

There were no significant changes in the estimation techniques and such assumptions during the reporting period.

The Bank has not applied management overlay.

IV FINANCIAL RISK MANAGEMENT (Continued)

1 Credit risk (Continued)

1.3 Measurement of ECL (Continued)

(1) Segmentation of financial instruments based on credit risk characteristics for losses

When measuring ECL on a collective basis, the Group classifies its credit risk exposures into corporate business, interbank business, personal loans, credit cards, and bond business exposures according to its business type, and into domestic and overseas business exposures according to its business regions. When further subdividing the credit risk exposures, the Group obtains sufficient information and segments them according to credit risk characteristics such as product types, customer types, customer risk factors, usage of funds, etc. and then calculates ECL for exposures with shared risk characteristics on a collective basis to ensure its statistical reliability.

(2) Criteria for determining significant increases in credit risk

The Group assesses whether or not the credit risk of the relevant financial instruments has increased significantly since the initial recognition at each financial reporting date. While determining whether the credit risk has significantly increased since initial recognition or not, the Group takes into account the reasonable and supportable information that is available without undue cost or effort, including qualitative and quantitative analysis based on the historical data, external credit risk rating, and forward-looking information. Based on an individual financial instrument or a group of financial instruments with shared credit risk characteristics, the Group compares the risk of default of financial instruments at the financial reporting date with that at the date of initial recognition in order to determine the changes in default risk over the expected lifetime of financial instruments.

(3) Definition of default and credit-impaired financial assets

The Group considers a financial asset as defaulted when it is credit-impaired. The standard adopted by the Group in determining whether a financial instrument is credit-impaired is consistent with the internal credit risk management objectives, taking into account quantitative and qualitative criteria.

IV FINANCIAL RISK MANAGEMENT (Continued)

1 Credit risk (Continued)

1.3 Measurement of ECL (Continued)

(4) Parameters for measuring ECL

According to whether the credit risk has significantly increased and whether the asset is credit-impaired, the Group measures the impairment allowance for different assets with ECL of the next 12 months or throughout the entire lifetime. The key parameters in ECL measurement include probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD"). Based on the current New Basel Capital Accord used in risk management and the requirements of IFRS 9, the Group takes into account the quantitative analysis of historical statistics (such as ratings of counterparties, manners of guarantees and types of collateral) and forward-looking information in order to establish the models for estimating PD, LGD and EAD in accordance with the requirement of IFRS 9.

The Group regularly conducts parameter update of the ECL models.

(5) Forward-looking information

The Group conducted an assessment of ECL according to forward-looking information and used a number of models and assumptions in the measurement of ECL. In assessing the ECL as at 30 June 2026, the Group has taken into account the impact of changes in current economic environment to the ECL model, including: individual borrower's operating and financial conditions and degree of impact from the economic environment, environmental and climate change impact, and industry-specific risks.

The Group identifies key macroeconomic indicators that affect the credit risk and ECL of various business types, such as country or region local GDP, Completion Index of Fixed Assets Investment, Producer Price Index, Home Price Index, Consumer Price Index, etc., based on the statistical analysis of historical data.

(Amounts in millions of Renminbi, unless otherwise stated)

IV FINANCIAL RISK MANAGEMENT (Continued)

1 Credit risk (Continued)

1.3 Measurement of ECL (Continued)

(5) Forward-looking information (Continued)

The impact of these economic indicators on the PD and the LGD varies according to different types of business. The Group applies experts' judgement in this analysis, and according to the result, the Group predicts these economic indicators regularly for respective regions and determines the impact of these economic indicators on the PD and the LGD by conducting regression analysis.

The Group conducts statistical analysis using experts' judgement to determine multiple economic scenarios and their respective weightings. In addition to the baseline scenario, optimistic scenario and pessimistic scenario, the Group also considers situation under stress. As at 30 June 2026, the baseline scenario has the highest weighting with the remaining individual scenarios having a weighting of lower than 30%. The Group measures the credit loss allowance based on probability weighted ECL under different scenarios.

The Group updated relevant forward-looking parameters used in the models measuring ECL based on changes in macroeconomic environment during the reporting period. Amongst these parameters, the annualised value of core one adopted by Chinese mainland in assessing the ECL as at 30 June 2026 under the baseline scenario is as follows:

Indicator	**Range**
Average Growth Rate of China's GDP in 2026-2028	Around 5.0%

As at 30 June 2026, the ECL reflected the Group's credit risk and management's expectations for macroeconomic development.

(Amounts in millions of Renminbi, unless otherwise stated)

IV FINANCIAL RISK MANAGEMENT (Continued)

1 Credit risk (Continued)

1.4 Derivatives

The risk-weighted assets for counterparty credit risk ("CCR") of derivatives of the Group are calculated in accordance with the *Capital Rules for Commercial Banks* and other relevant regulations under the standardised approach. For derivative transactions, risk-weighted assets for CCR include the risk-weighted assets for default risk, the risk-weighted assets for credit valuation adjustment ("CVA") and the risk-weighted assets for central counterparties ("CCPs").

The risk-weighted assets for the CCR of derivatives are as follows:

	As at 30 June 2026	As at 31 December 2025
Risk-weighted assets for default risk		
Currency derivatives	66,049	62,451
Interest rate derivatives	8,178	8,227
Equity derivatives	708	433
Commodity derivatives and other	21,372	10,256
	96,307	81,367
Risk-weighted assets for CVA	65,872	34,010
Risk-weighted assets for CCPs	2,021	2,826
Total	164,200	118,203

1.5 Repossessed assets

The Group obtains assets by taking possession of collateral held as security. Detailed information of such repossessed assets of the Group is disclosed in Note III.21.

IV FINANCIAL RISK MANAGEMENT (Continued)

2 Market risk

2.1 Market risk measurement techniques and limits

(1) Trading book

For the purpose of market risk management in the trading book, the Group monitors trading book value with multiple limits and tracks observances of each limit on a daily basis.

Value at Risk ("VaR") is used to estimate the largest potential loss arising from adverse market movements in a specific holding period and within a certain confidence level.

VaR is performed separately by the Bank and its major subsidiaries that are exposed to market risk, BOCHK (Holdings) and BOCI. The Bank, BOCHK (Holdings) and BOCI used a 99% level of confidence (therefore, statistical probability of 1% that actual losses could be greater than the VaR estimate) and a historical simulation model to calculate the VaR estimate. The holding period of the VaR calculations is one day. To enhance the Group's market risk management, the Group has established the market risk data mart, which enabled a group level trading book VaR calculation on a daily basis.

The Group utilises stress testing as an effective supplement to the trading book VaR analysis. Stress testing scenarios are performed based on the characteristics of trading transactions to simulate and estimate losses in adverse and exceptional market conditions. To address changes in the financial markets, the Group enhances its market risk identification capabilities with the tool of stress-testing by continuously capturing the potential impact to transaction market prices stemming from changes in market prices and volatility.

(Amounts in millions of Renminbi, unless otherwise stated)

IV FINANCIAL RISK MANAGEMENT (Continued)

2 Market risk (Continued)

2.1 Market risk measurement techniques and limits (Continued)

(1) Trading book (Continued)

The table below shows the VaR of the trading book by type of risk for the six-month periods ended 30 June 2026 and 30 June 2025:

	Six-month period ended 30 June					
	2026			2025		
	Average	High	Low	Average	High	Low
The Bank's trading VaR						
Interest rate risk	150.07	201.07	119.26	95.54	134.65	74.40
Foreign exchange risk	69.27	274.28	7.22	71.12	147.75	12.50
Volatility risk	4.70	12.56	1.72	6.83	17.80	3.40
Commodity risk	126.20	302.80	38.58	46.44	112.90	0.77
Total of the Bank's trading VaR	189.05	382.73	129.84	128.85	180.07	102.72

(Amounts in millions of Renminbi, unless otherwise stated)

IV FINANCIAL RISK MANAGEMENT (Continued)

2 Market risk (Continued)

2.1 Market risk measurement techniques and limits (Continued)

(1) Trading book (Continued)

Unit: USD million

	Six-month period ended 30 June					
	2026			2025		
	Average	High	Low	Average	High	Low
BOCHK (Holdings)'s trading VaR						
Interest rate risk	13.73	18.64	11.15	14.54	17.14	12.80
Foreign exchange risk	5.66	8.64	2.52	5.32	6.82	4.03
Equity risk	1.31	2.35	0.30	1.05	1.33	0.61
Commodity risk	9.17	12.68	6.44	1.54	5.09	0.01
Total BOCHK (Holdings)'s trading VaR	16.73	20.97	13.80	15.14	19.41	12.09
BOCI's trading VaR (i)						
Equity derivatives unit	0.74	1.44	0.42	0.54	0.98	0.25
Fixed income unit	0.30	0.37	0.23	0.64	0.80	0.57
Global commodity unit	0.26	0.48	0.07	0.22	0.29	0.20
Total BOCI's trading VaR	0.81	1.56	0.50	0.95	1.37	0.75

(i) BOCI monitors its trading VaR for equity derivatives unit, fixed income unit, and global commodity unit separately, which include equity risk, interest rate risk, foreign exchange risk and commodity risk.

VaR for each risk factor is the independently derived largest potential loss in a specific holding period and within a certain confidence level due to fluctuations solely in that risk factor. The individual VaRs were not added up to the total VaR as there was a diversification effect due to correlation amongst the risk factors.

(Amounts in millions of Renminbi, unless otherwise stated)

IV FINANCIAL RISK MANAGEMENT (Continued)

2 Market risk (Continued)

2.1 Market risk measurement techniques and limits (Continued)

(2) Banking book

Interest rate risk in the banking book ("IRRBB") refers to the risk of losses to a bank's economic value and to its overall earnings of banking book, arising from adverse movements in interest rates level or term structure. IRRBB mainly comes from repricing gaps between assets and liabilities in the banking book, and differences in changes in benchmarking interest rates for assets and liabilities. The Group is exposed to interest rate risk and fluctuations in market interest rates that will impact the Group's financial position.

Sensitivity analysis on net interest income

Sensitivity analysis on net interest income assumes that yield curves change in parallel while the structure of assets and liabilities remains unchanged, and does not take into consideration changes in customer behaviour, basis risk, etc. The Group made timely adjustments to the structure of its assets and liabilities, optimised the internal and external pricing strategy or implemented risk hedging based on changes in the market situation, and controlled the fluctuation of net interest income within an acceptable level.

The table below illustrates the potential impact of a 25 basis points interest rate move on the net interest income of the Group for the next 12 months from the reporting date. The actual situation may be different from the assumptions used and it is possible that actual outcomes could differ from the estimated impact on net interest income of the Group.

	Effect on Net Interest Income	
	As at 30 June 2026	**As at 31 December 2025**
+25 basis points	(8,718)	(4,494)
-25 basis points	8,718	4,494

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

(Amounts in millions of Renminbi, unless otherwise stated)

IV FINANCIAL RISK MANAGEMENT (Continued)

2 Market risk (Continued)

2.2 GAP analysis

The tables below summarise the Group's exposure to interest rate risk. It includes the Group's financial instruments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	As at 30 June 2026						
	Less than 1 month	Between 1 and 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years	Non-interest bearing	Total
Assets							
Cash and due from banks and other financial institutions	481,413	24,613	16,879	3,477	–	75,209	601,591
Balances with central banks	2,211,530	15,764	4,388	1,038	–	182,986	2,415,706
Placements with and loans to banks and other financial institutions	446,363	280,566	275,464	159,997	–	4,677	1,167,067
Derivative financial assets	–	–	–	–	–	152,744	152,744
Loans and advances to customers, net	5,000,170	5,582,272	12,729,692	549,966	87,186	185,938	24,135,224
Financial investments							
— Financial assets at fair value through profit or loss	45,168	80,595	129,744	191,099	115,722	273,393	835,721
— Financial assets at fair value through other comprehensive income	344,654	491,669	595,561	1,869,518	1,452,706	53,699	4,807,807
— Financial assets at amortised cost	69,221	290,953	280,481	1,848,676	2,346,818	1,639	4,837,788
Other financial assets	2,319	178	344	1,489	1	403,914	408,245
Total financial assets	8,600,838	6,766,610	14,032,553	4,625,260	4,002,433	1,334,199	39,361,893
Liabilities							
Due to banks and other financial institutions	2,513,663	398,556	1,082,165	34,468	–	39,150	4,068,002
Due to central banks	560,083	317,830	797,251	–	–	11,795	1,686,959
Placements from banks and other financial institutions	548,507	150,516	126,878	12,395	–	3,957	842,253
Derivative financial liabilities	–	–	–	–	–	130,500	130,500
Due to customers	13,005,172	2,488,846	5,820,360	4,938,586	1,687	571,112	26,825,763
Bonds issued	223,821	361,324	636,966	840,431	184,744	15,157	2,262,443
Other financial liabilities	28,174	11,869	12,686	6,295	3,888	772,687	835,599
Total financial liabilities	16,879,420	3,728,941	8,476,306	5,832,175	190,319	1,544,358	36,651,519
Total interest repricing gap	(8,278,582)	3,037,669	5,556,247	(1,206,915)	3,812,114	(210,159)	2,710,374

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026
(Amounts in millions of Renminbi, unless otherwise stated)

IV FINANCIAL RISK MANAGEMENT (Continued)

2 Market risk (Continued)

2.2 GAP analysis (Continued)

	As at 31 December 2025						
	Less than 1 month	Between 1 and 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years	Non-interest bearing	Total
Assets							
Cash and due from banks and other financial institutions	411,265	60,293	23,345	4,284	–	78,358	577,545
Balances with central banks	2,339,695	1,453	647	4,135	–	121,174	2,467,104
Placements with and loans to banks and other financial institutions	791,683	217,960	345,019	127,890	–	15,875	1,498,427
Derivative financial assets	–	–	–	–	–	132,841	132,841
Loans and advances to customers, net	5,750,100	5,530,626	10,737,320	585,467	88,719	184,537	22,876,769
Financial investments							
— Financial assets at fair value through profit or loss	30,738	74,142	123,584	169,887	102,584	256,778	757,713
— Financial assets at fair value through other comprehensive income	401,380	432,196	631,414	1,722,592	1,383,559	59,673	4,630,814
— Financial assets at amortised cost	63,868	309,364	367,701	1,474,042	2,054,074	2,034	4,271,083
Other financial assets	–	–	–	–	–	578,151	578,151
Total financial assets	9,788,729	6,626,034	12,229,030	4,088,297	3,628,936	1,429,421	37,790,447
Liabilities							
Due to banks and other financial institutions	2,029,986	430,431	614,306	43,705	–	68,875	3,187,303
Due to central banks	470,984	273,751	982,646	–	–	6,674	1,734,055
Placements from banks and other financial institutions	276,797	90,080	174,226	9,805	–	2,778	553,686
Derivative financial liabilities	–	–	–	–	–	131,022	131,022
Due to customers	12,539,005	2,764,915	5,386,939	4,835,552	31,334	624,686	26,182,431
Bonds issued	75,115	311,312	961,981	740,412	193,354	12,514	2,294,688
Other financial liabilities	26,297	35,305	13,842	3,210	1,735	382,096	462,485
Total financial liabilities	15,418,184	3,905,794	8,133,940	5,632,684	226,423	1,228,645	34,545,670
Total interest repricing gap	(5,629,455)	2,720,240	4,095,090	(1,544,387)	3,402,513	200,776	3,244,777

(Amounts in millions of Renminbi, unless otherwise stated)

IV FINANCIAL RISK MANAGEMENT (Continued)

2 Market risk (Continued)

2.3 Foreign currency risk

The tables below summarise the Group's exposure to foreign currency exchange rate risk as at 30 June 2026 and 31 December 2025. The Group's exposure to RMB is provided in the tables below for comparison purposes. Included in the tables are the carrying amounts of the assets and liabilities of the Group along with off-balance sheet positions and credit commitments in RMB equivalent, categorised by the original currencies. Derivative financial instruments are included in net off-balance sheet position using notional amounts.

	As at 30 June 2026							
	RMB	**USD**	**HKD**	**EURO**	**JPY**	**GBP**	**Other**	**Total**
Assets								
Cash and due from banks and other financial institutions	276,337	241,536	17,114	24,810	15,601	4,704	21,489	601,591
Balances with central banks	1,874,689	219,144	45,225	87,362	27,501	87,972	73,813	2,415,706
Placements with and loans to banks and other financial institutions	617,503	443,948	33,341	17,642	3,163	1,676	49,794	1,167,067
Derivative financial assets	63,083	50,646	8,460	2,113	10,178	6,788	11,476	152,744
Loans and advances to customers, net	21,034,717	1,092,571	1,161,101	274,561	27,912	87,493	456,869	24,135,224
Financial investments								
— Financial assets at fair value through profit or loss	464,328	186,827	125,996	42,422	3,252	8,767	4,129	835,721
— Financial assets at fair value through other comprehensive income	2,883,211	971,554	350,831	137,746	134,651	21,650	308,164	4,807,807
— Financial assets at amortised cost	4,373,441	310,223	40,808	32,426	1,180	2,059	77,651	4,837,788
Other	387,190	188,950	286,663	4,499	1,633	2,007	361,761	1,232,703
Total assets	31,974,499	3,705,399	2,069,539	623,581	225,071	223,116	1,365,146	40,186,351
Liabilities								
Due to banks and other financial institutions	3,336,914	353,216	98,576	27,540	7,122	3,369	241,265	4,068,002
Due to central banks	1,620,779	35,831	28,081	–	–	–	2,268	1,686,959
Placements from banks and other financial institutions	335,663	415,890	41,270	9,181	1,487	523	38,239	842,253
Derivative financial liabilities	66,015	39,566	7,181	959	3,986	6,032	6,761	130,500
Due to customers	21,374,855	2,507,680	1,660,045	339,691	201,650	64,318	677,524	26,825,763
Bonds issued	2,087,347	159,294	4,263	7,253	–	2,348	1,938	2,262,443
Other	448,631	194,470	422,273	7,992	3,325	10,543	42,813	1,130,047
Total liabilities	29,270,204	3,705,947	2,261,689	392,616	217,570	87,133	1,010,808	36,945,967
Net on-balance sheet position	2,704,295	(548)	(192,150)	230,965	7,501	135,983	354,338	3,240,384
Net off-balance sheet position	(116,658)	171,099	551,262	(213,822)	(1,809)	(125,189)	(241,099)	23,784
Credit commitments	2,700,283	709,097	188,046	208,581	14,903	49,537	110,722	3,981,169

(Amounts in millions of Renminbi, unless otherwise stated)

IV FINANCIAL RISK MANAGEMENT (Continued)

2 Market risk (Continued)

2.3 Foreign currency risk (Continued)

	As at 31 December 2025							
	RMB	**USD**	**HKD**	**EURO**	**JPY**	**GBP**	**Other**	**Total**
Assets								
Cash and due from banks and other financial institutions	303,912	193,066	22,923	16,985	14,005	5,602	21,052	577,545
Balances with central banks	1,759,307	342,958	28,662	105,638	46,632	107,051	76,856	2,467,104
Placements with and loans to banks and other financial institutions	791,548	590,530	28,147	15,880	3,883	1,482	66,957	1,498,427
Derivative financial assets	58,234	38,567	8,101	2,196	9,678	6,526	9,539	132,841
Loans and advances to customers, net	19,828,132	1,027,851	1,189,421	285,793	28,710	80,343	436,519	22,876,769
Financial investments								
— Financial assets at fair value through profit or loss	424,356	166,822	126,824	32,432	3,576	2,728	975	757,713
— Financial assets at fair value through other comprehensive income	2,822,568	897,232	316,862	115,095	139,814	22,428	316,815	4,630,814
— Financial assets at amortised cost	3,822,081	311,344	30,492	19,267	331	3,630	83,938	4,271,083
Other	343,768	179,447	284,010	3,290	1,830	1,979	331,456	1,145,780
Total assets	30,153,906	3,747,817	2,035,442	596,576	248,459	231,769	1,344,107	38,358,076
Liabilities								
Due to banks and other financial institutions	2,425,699	471,982	78,026	36,127	19,181	3,303	152,985	3,187,303
Due to central banks	1,667,614	32,679	30,619	2,240	–	–	903	1,734,055
Placements from banks and other financial institutions	200,478	278,738	30,131	18,702	462	2,977	22,198	553,686
Derivative financial liabilities	57,176	45,599	5,168	1,635	4,388	6,961	10,095	131,022
Due to customers	20,707,947	2,629,337	1,640,221	350,996	153,587	60,278	640,065	26,182,431
Bonds issued	2,115,686	152,642	4,951	15,611	–	2,416	3,382	2,294,688
Other	427,513	163,743	423,402	3,905	1,453	10,472	36,279	1,066,767
Total liabilities	27,602,113	3,774,720	2,212,518	429,216	179,071	86,407	865,907	35,149,952
Net on-balance sheet position	2,551,793	(26,903)	(177,076)	167,360	69,388	145,362	478,200	3,208,124
Net off-balance sheet position	82,748	107,788	510,566	(147,209)	(58,096)	(138,091)	(371,437)	(13,731)
Credit commitments	2,729,170	668,709	203,425	217,618	10,201	48,489	110,215	3,987,827

(Amounts in millions of Renminbi, unless otherwise stated)

IV FINANCIAL RISK MANAGEMENT (Continued)

3 Liquidity risk

The tables below analyse the Group's assets and liabilities into relevant maturity groupings based on the remaining period at the financial reporting date to the contractual maturity date.

	As at 30 June 2026							
	Overdue/ Undated	On demand	Less than 1 month	Between 1 and 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years	Total
Assets								
Cash and due from banks and other financial institutions	–	413,007	141,566	24,378	18,769	3,871	–	601,591
Balances with central banks	1,634,567	704,940	37,551	24,208	13,402	1,038	–	2,415,706
Placements with and loans to banks and other financial institutions	–	–	364,324	247,939	295,791	251,804	7,209	1,167,067
Derivative financial assets	–	13,303	28,097	28,479	36,800	35,110	10,955	152,744
Loans and advances to customers, net	84,343	394,868	856,628	1,569,828	7,120,794	6,715,611	7,393,152	24,135,224
Financial investments								
— Financial assets at fair value through profit or loss	269,973	–	42,502	76,751	130,166	199,843	116,486	835,721
— Financial assets at fair value through other comprehensive income	40,902	–	197,475	424,010	618,370	1,982,666	1,544,384	4,807,807
— Financial assets at amortised cost	145	–	60,742	122,754	282,423	1,869,316	2,502,408	4,837,788
Other	394,730	607,084	61,828	8,398	37,858	91,957	30,848	1,232,703
Total assets	2,424,660	2,133,202	1,790,713	2,526,745	8,554,373	11,151,216	11,605,442	40,186,351
Liabilities								
Due to banks and other financial institutions	–	2,319,890	222,204	395,673	1,092,017	38,218	–	4,068,002
Due to central banks	–	80,955	482,242	317,913	805,849	–	–	1,686,959
Placements from banks and other financial institutions	–	–	549,547	136,235	140,681	15,676	114	842,253
Derivative financial liabilities	–	10,645	23,078	20,463	32,831	33,506	9,977	130,500
Due to customers	–	10,982,237	2,566,121	2,463,153	5,859,428	4,953,057	1,767	26,825,763
Bonds issued	–	–	215,293	293,763	658,163	895,601	199,623	2,262,443
Other	–	374,583	114,712	57,015	108,349	108,926	366,462	1,130,047
Total liabilities	–	13,768,310	4,173,197	3,684,215	8,697,318	6,044,984	577,943	36,945,967
Net liquidity gap	2,424,660	(11,635,108)	(2,382,484)	(1,157,470)	(142,945)	5,106,232	11,027,499	3,240,384

(Amounts in millions of Renminbi, unless otherwise stated)

IV FINANCIAL RISK MANAGEMENT (Continued)

3 Liquidity risk (Continued)

	As at 31 December 2025							
	Overdue/ Undated	On demand	Less than 1 month	Between 1 and 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years	Total
Assets								
Cash and due from banks and other financial institutions	–	335,367	153,964	60,414	23,445	4,355	–	577,545
Balances with central banks	1,593,496	823,812	23,710	6,919	15,032	4,135	–	2,467,104
Placements with and loans to banks and other financial institutions	–	–	729,892	187,152	365,938	208,759	6,686	1,498,427
Derivative financial assets	–	15,010	27,074	22,905	28,162	29,815	9,875	132,841
Loans and advances to customers, net	72,881	349,189	806,864	1,715,639	6,065,718	6,568,598	7,297,880	22,876,769
Financial investments								
— Financial assets at fair value through profit or loss	253,208	–	27,977	72,964	124,777	175,551	103,236	757,713
— Financial assets at fair value through other comprehensive income	46,427	–	270,018	377,269	650,418	1,812,557	1,474,125	4,630,814
— Financial assets at amortised cost	379	–	56,603	144,887	369,038	1,489,976	2,210,200	4,271,083
Other	384,633	550,403	37,789	9,920	29,415	102,187	31,433	1,145,780
Total assets	2,351,024	2,073,781	2,133,891	2,598,069	7,671,943	10,395,933	11,133,435	38,358,076
Liabilities								
Due to banks and other financial institutions	–	1,950,349	142,350	430,542	618,734	45,328	–	3,187,303
Due to central banks	–	76,851	394,354	279,364	983,362	124	–	1,734,055
Placements from banks and other financial institutions	–	–	277,888	90,433	175,145	10,095	125	553,686
Derivative financial liabilities	–	12,939	30,502	26,201	21,861	30,111	9,408	131,022
Due to customers	–	10,585,510	2,538,448	2,776,135	5,398,241	4,852,688	31,409	26,182,431
Bonds issued	–	–	68,199	240,040	980,660	812,435	193,354	2,294,688
Other	260	365,819	81,425	58,297	126,156	114,341	320,469	1,066,767
Total liabilities	260	12,991,468	3,533,166	3,901,012	8,304,159	5,865,122	554,765	35,149,952
Net liquidity gap	2,350,764	(10,917,687)	(1,399,275)	(1,302,943)	(632,216)	4,530,811	10,578,670	3,208,124

IV FINANCIAL RISK MANAGEMENT (Continued)

4 Fair value

4.1 Financial instruments measured at fair value

Financial instruments measured at fair value are classified into the following three levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities, including equity securities listed on exchanges or debt instruments issued by certain governments and certain exchange-traded derivative contracts.

- Level 2: Valuation technique for which all inputs that have a significant effect on the recorded fair value other than quoted prices included within Level 1 are observable for the asset or liability, either directly or indirectly. This level includes the majority of the over-the-counter derivative contracts, debt securities for which quotations are available from pricing service providers, discounted bills, etc.

- Level 3: Valuation technique using inputs which have a significant effect on the recorded fair value for the asset or liability are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable parameters.

The Group's policy is to recognise transfers between levels of the fair value hierarchy as at the end of the reporting period in which they occur.

The Group uses valuation techniques or counterparty quotations to determine the fair value when it is unable to obtain open market quotation in active markets.

The main parameters used in valuation techniques include bond prices, interest rates, foreign exchange rates, equity and stock prices, volatilities, counterparty credit spreads and others, which are all observable and obtainable from the open market.

For certain illiquid debt securities (mainly asset-backed securities), unlisted equity (private equity) and unlisted funds held by the Group, management uses valuation techniques to determine the fair value, including discounted cash flow analysis, net asset value and market comparison approach, etc. The fair value of these financial instruments may be based on unobservable inputs which may have a significant impact on the valuation of these financial instruments, and therefore, these assets and liabilities have been classified by the Group as Level 3. As at 30 June 2026, the Group's main unobservable parameters included discount rate, expected rate of return, liquidity discount and P/S ratio. Management determines whether to make necessary adjustments to the fair value of the Group's Level 3 financial instruments by assessing the impact of changes in macro-economic factors, and valuations by external valuation agencies. The Group has established internal control procedures to control the Group's exposure to such financial instruments.

(Amounts in millions of Renminbi, unless otherwise stated)

IV FINANCIAL RISK MANAGEMENT (Continued)

4 Fair value (Continued)

4.1 Financial instruments measured at fair value (Continued)

The Group has established a robust internal control policy for the measurement of fair values. The Board of Directors has ultimate responsibility for the fair value valuation of financial instruments and approves valuation policies; The Risk Policy Committee assists the Board in supervising the senior management to establish and improve the system of valuation and execution mechanism; Senior management organizes the valuation process and is accountable to the Board.

The Group has established an independent valuation process for financial assets and financial liabilities. The financial management related departments of Head Office coordinate the management of the Group's financial instrument valuation. The risk management related departments of Head Office are responsible for validating the valuation models.

	As at 30 June 2026			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value				
Due from and placements with banks and other financial institutions at fair value, etc.	–	107,007	–	107,007
Derivative financial assets	1,011	151,733	–	152,744
Loans and advances to customers at fair value	–	1,365,830	364	1,366,194
Financial investments				
— Financial assets at fair value through profit or loss				
— Debt securities	58,425	502,203	710	561,338
— Equity instruments	17,925	618	102,085	120,628
— Fund investments and other	34,306	28,501	90,948	153,755
— Financial assets at fair value through other comprehensive income				
— Debt securities	526,101	4,233,818	–	4,759,919
— Equity instruments and other	9,558	11,768	26,562	47,888
Financial liabilities measured at fair value				
Due to and placements from banks and other financial institutions at fair value	–	(49,030)	–	(49,030)
Due to customers at fair value	–	(32,860)	–	(32,860)
Bonds issued at fair value	–	(2,916)	–	(2,916)
Financial liabilities held for trading	(208)	(51,033)	–	(51,241)
Derivative financial liabilities	(697)	(129,803)	–	(130,500)

(Amounts in millions of Renminbi, unless otherwise stated)

IV FINANCIAL RISK MANAGEMENT (Continued)

4 Fair value (Continued)

4.1 Financial instruments measured at fair value (Continued)

	As at 31 December 2025			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value				
Due from and placements with banks and other financial institutions at fair value, etc.	–	96,401	–	96,401
Derivative financial assets	76	132,765	–	132,841
Loans and advances to customers at fair value	–	1,234,871	21	1,234,892
Financial investments				
— Financial assets at fair value through profit or loss				
— Debt securities	50,614	448,701	756	500,071
— Equity instruments	17,273	409	103,674	121,356
— Fund investments and other	31,921	22,611	81,754	136,286
— Financial assets at fair value through other comprehensive income				
— Debt securities	616,130	3,960,855	–	4,576,985
— Equity instruments and other	8,676	14,038	31,115	53,829
Financial liabilities measured at fair value				
Due to and placements from banks and other financial institutions at fair value	–	(21,343)	–	(21,343)
Due to customers at fair value	–	(44,267)	–	(44,267)
Bonds issued at fair value	–	(2,043)	–	(2,043)
Financial liabilities held for trading	(97)	(79,620)	–	(79,717)
Derivative financial liabilities	(140)	(130,882)	–	(131,022)

(Amounts in millions of Renminbi, unless otherwise stated)

IV FINANCIAL RISK MANAGEMENT (Continued)

4 Fair value (Continued)

4.1 Financial instruments measured at fair value (Continued)

Reconciliation of Level 3 items

		Financial assets at fair value through profit or loss			Financial assets at fair value through other comprehensive income
	Loans and advances to customers at fair value	Debt securities	Equity instruments	Fund investments and other	Equity instruments and other
As at 1 January 2026	21	756	103,674	81,754	31,115
Total gains and losses					
— profit/(loss)	3	15	1,864	(722)	–
— other comprehensive income	–	–	–	–	(3,945)
Sales	–	–	(6,336)	(1,679)	(500)
Purchases	345	79	3,788	12,415	–
Settlements	–	(140)	–	–	–
Transfers out of Level 3, net	–	–	(905)	–	–
Other changes	(5)	–	–	(820)	(108)
As at 30 June 2026	364	710	102,085	90,948	26,562
Total gains/(losses) for the period included in the statement of profit or loss for assets held as at 30 June 2026	3	15	2,261	(561)	–

(Amounts in millions of Renminbi, unless otherwise stated)

IV FINANCIAL RISK MANAGEMENT (Continued)

4 Fair value (Continued)

4.1 Financial instruments measured at fair value (Continued)

Reconciliation of Level 3 items (Continued)

		Financial assets at fair value through profit or loss			Financial assets at fair value through other comprehensive income
	Loans and advances to customers at fair value	Debt securities	Equity instruments	Fund investments and other	Equity instruments and other
As at 1 January 2025	749	1,169	100,705	67,809	23,521
Total gains and losses					
— (loss)/profit	–	(11)	3,945	(841)	–
— other comprehensive income	–	–	–	–	(540)
Sales	–	(39)	(11,941)	(5,495)	(2,072)
Purchases	21	121	10,965	20,490	10,321
Settlements	(730)	(483)	–	–	–
Transfers out of Level 3, net	–	–	–	–	–
Other changes	(19)	(1)	–	(209)	(115)
As at 31 December 2025	21	756	103,674	81,754	31,115
Total (losses)/gains for the period included in the statement of profit or loss for assets held as at 31 December 2025	–	(11)	3,941	(610)	–

(Amounts in millions of Renminbi, unless otherwise stated)

IV FINANCIAL RISK MANAGEMENT (Continued)

4 Fair value (Continued)

4.1 Financial instruments measured at fair value (Continued)

Total gains or losses for the six-month period ended 30 June 2026 and the year ended 31 December 2025 included in the statements as well as total gains or losses included in the statements relating to financial instruments held as at 30 June 2026 and 31 December 2025 are presented in "Net trading gains", "Net gains on transfers of financial assets", "Credit impairment losses" or "Other comprehensive income" depending on the nature or category of the related financial instruments.

Gains or losses on Level 3 financial assets and liabilities included in the statement of profit or loss comprise:

	Six-month period ended 30 June					
	2026			2025		
	Realised	Unrealised	Total	Realised	Unrealised	Total
Total (losses)/gains	(558)	1,718	1,160	984	343	1,327

There were no significant transfers for the financial assets and liabilities measured at fair value between Level 1 and Level 2 during the six-month period ended 30 June 2026.

As at 30 June 2026, with all other variables held constant, if significant unobservable parameters such as discount rate, expected rate of return, liquidity discount and P/S ratio applied in the valuation technique had changed by 10%, the impact on the amount of changes in fair value would not have been significant.

4.2 Financial instruments not measured at fair value

Financial assets not presented at fair value in the statement of financial position mainly represent "Due from banks and other financial institutions", "Government certificates of indebtedness for bank notes issued", and "Balances with central banks", "Placements with and loans to banks and other financial institutions", "Loans and advances to customers", "Financial investments" measured at amortised cost. Liabilities not presented at fair value in the statement of financial position mainly represent "Due to banks and other financial institutions", "Due to central banks", "Bank notes in circulation", and "Placements from banks and other financial institutions", "Due to customers", "Bonds issued" measured at amortised cost.

(Amounts in millions of Renminbi, unless otherwise stated)

IV FINANCIAL RISK MANAGEMENT (Continued)

4 Fair value (Continued)

4.2 Financial instruments not measured at fair value (Continued)

The table below summarises the carrying amounts and fair values of "Debt securities at amortised cost" and "Bonds issued" not presented at fair value at the financial reporting date.

	As at 30 June 2026		As at 31 December 2025	
	Carrying value	**Fair value**	**Carrying value**	**Fair value**
Financial assets				
Debt securities (1)	4,823,951	5,011,412	4,255,332	4,415,796
Financial liabilities				
Bonds issued (2)	2,259,527	2,282,135	2,292,645	2,300,041

(1) Debt securities

The China Orient Bond and Special Purpose Treasury Bond held by the Bank are non-transferable. As there are no observable market prices or yields reflecting arm's length transactions of a comparable size and tenor, the fair values are determined based on the stated interest rate of the instruments.

Fair values of other debt securities are based on market prices or broker/dealer price quotations. Where this information is not available, the Bank will perform valuation by referring to prices from valuation service providers or on the basis of discounted cash flow models. Valuation parameters include market interest rates and expected future default rates. The fair values of RMB bonds are mainly determined based on the valuation results provided by China Central Depository & Clearing Co., Ltd.

(2) Bonds issued

The aggregate fair values are calculated based on quoted market prices. For those bonds where quoted market prices are not available, a discounted cash flow model is used based on a current yield curve appropriate for the remaining term to maturity.

(Amounts in millions of Renminbi, unless otherwise stated)

IV FINANCIAL RISK MANAGEMENT (Continued)

4 Fair value (Continued)

4.2 Financial instruments not measured at fair value (Continued)

The tables below summarise the fair values of three levels of "Debt securities at amortised cost" (excluding the China Orient Bond and Special Purpose Treasury Bond), and "Bonds issued" not presented at fair value at the financial reporting date.

	As at 30 June 2026			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Debt securities	125,815	4,689,127	642	4,815,584
Financial liabilities				
Bonds issued	–	2,282,135	–	2,282,135

	As at 31 December 2025			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Debt securities	174,200	4,046,072	227	4,220,499
Financial liabilities				
Bonds issued	–	2,300,041	–	2,300,041

Other than the above, the difference between the carrying amounts and fair values of those financial assets and liabilities not presented at their fair value in the statement of financial position is insignificant. Fair value is measured using a discounted cash flow model.

IV FINANCIAL RISK MANAGEMENT (Continued)

5 Capital management

The Group follows the principles below with regard to capital management:

- Adequate capital and sustainable development. Follow the lead of the strategic planning of the Group development; and maintain the high quality and adequacy of capital so as to meet regulatory requirements, support business growth, and advance the sustainable development of the scale, quality and performance of the business in the Group.

- Allocation optimisation and benefit augmentation. Allocate capital properly by prioritising the asset businesses with low capital occupancy and high comprehensive income, and steadily improve the efficiency and return of capital, to achieve the reciprocal matchup and dynamic equilibrium among risks, capital and returns.

- Refined management and capital level improvement. Optimise the capital management system by sufficiently identifying, calculating, monitoring, mitigating, and controlling various types of risks; incorporate capital restraints into the whole process of product pricing, resource allocation, structural adjustments, performance evaluation, etc., ensuring that the capital employed is commensurate with the related risks and the level of risk management.

Capital adequacy and regulatory capital are monitored by the Group's management, employing techniques based on the guidelines developed by the Basel Committee, as implemented by the NFRA, for supervisory purposes. The required information is filed with the NFRA on a quarterly basis.

The Group's capital adequacy ratios are calculated in accordance with the *Capital Rules for Commercial Banks* (J.J.Z.J.L [2023] No. 4) issued by the NFRA and other relevant regulations from 1 January 2024. With the approval of the NFRA, the Group adopts advanced capital measurement approaches to calculate credit risk. For the Bank's Head Office, domestic branches and BOCHK, Foundation Internal Rating-Based (FIRB) approach is adopted for general corporates and small or medium-sized entities (SMEs) credit risk exposures, while Advanced Internal Rating-Based (AIRB) approach is adopted for retail residential mortgages, qualifying revolving retail exposures (QRRE) as well as other retail risk exposures. Standardised approach is adopted for other types of credit risk exposures and all credit risk exposures of other consolidated institutions. Standardised approach is adopted for market risk and operational risk.

IV FINANCIAL RISK MANAGEMENT (Continued)

5 Capital management (Continued)

As a systemically important bank, the Group's capital adequacy ratios are required to meet the lowest requirements of the NFRA, that is, the common equity tier 1 capital adequacy ratio, tier 1 capital adequacy ratio and capital adequacy ratio should be no less than 9.00%, 10.00% and 12.00%, respectively.

The Group's regulatory capital is managed by its capital management related departments and consists of the following:

- Common equity tier 1 capital, including common shares, capital reserve, surplus reserve, general reserve, undistributed profits, accumulated other comprehensive income and eligible portion of minority interests;

- Additional tier 1 capital, including directly issued additional tier 1 capital instruments and related premium and eligible portion of minority interests;

- Tier 2 capital, including directly issued qualifying tier 2 capital instruments and related premium, excess loss provisions and eligible portion of minority interests.

Goodwill, other intangible assets (excluding land use rights) and other deductible items are deducted from common equity tier 1 capital to derive at the regulatory capital.

(Amounts in millions of Renminbi, unless otherwise stated)

IV FINANCIAL RISK MANAGEMENT (Continued)

5 Capital management (Continued)

The table below summarises the Group's common equity tier 1 capital adequacy ratio, tier 1 capital adequacy ratio and capital adequacy ratio[1] calculated in accordance with the *Capital Rules for Commercial Banks* and other relevant regulations:

	As at 30 June 2026	As at 31 December 2025
Common equity tier 1 capital adequacy ratio	12.04%	12.53%
Tier 1 capital adequacy ratio	13.65%	14.34%
Capital adequacy ratio	18.31%	18.85%
Composition of the capital base		
Common equity tier 1 capital	2,708,750	2,649,578
Common shares	322,212	322,212
Capital reserve	270,940	270,807
Surplus reserve	300,842	300,217
General reserve	454,728	454,587
Undistributed profits	1,281,305	1,206,485
Eligible portion of minority interests	34,349	33,503
Accumulated other comprehensive income	44,374	61,767
Regulatory deductions	(27,719)	(27,507)
Of which:		
Goodwill	(261)	(261)
Other intangible assets (excluding land use rights)	(27,502)	(27,151)
Direct or indirect investments in own shares	–	–
Investments in common equity tier 1 capital of financial institutions with controlling interests but outside the scope of regulatory consolidation	–	–
Net common equity tier 1 capital	2,681,031	2,622,071

(Amounts in millions of Renminbi, unless otherwise stated)

IV FINANCIAL RISK MANAGEMENT (Continued)

5 Capital management (Continued)

	As at 30 June 2026	As at 31 December 2025
Additional tier 1 capital	359,723	380,637
Directly issued additional tier 1 capital instruments and related premium	349,964	369,953
Eligible portion of minority interests	9,759	10,684
Net tier 1 capital	3,040,754	3,002,708
Tier 2 capital	1,038,089	943,159
Directly issued qualifying tier 2 capital instruments and related premium	774,864	689,895
Excess loss provisions	254,491	244,538
Eligible portion of minority interests	8,734	8,726
Net capital	4,078,843	3,945,867
Risk-weighted assets	22,276,506	20,932,851

(1) When calculating the capital adequacy ratios, Bank of China Group Investment Limited, Bank of China Insurance Company Limited, Bank of China Group Insurance Company Limited and Bank of China Group Life Assurance Company Limited, etc., were excluded from the scope of regulatory consolidation in accordance with the requirements of the NFRA.

IV FINANCIAL RISK MANAGEMENT (Continued)

6 Insurance risk

Insurance contracts are mainly sold in China. The risk under an insurance contract is the possibility that the insured event occurs and the uncertainty in the resulting claim amount. By the nature of an insurance contract, the risk is random and therefore unpredictable. The principal risk that the Group faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance contract liabilities.

The Group manages its portfolio of insurance risks through its appropriate underwriting strategy and policies, as well as adequate reinsurance arrangements, and enhanced underwriting control and claim control.

The Group makes related assumptions for insurance risks and recognises insurance contract liabilities. For life insurance contracts, the key assumptions include assumptions in respect of discount rates/investment return, mortality, morbidity, lapse rates, and expenses assumptions relating to life insurance contracts. For non-life insurance contracts, the key assumptions include assumptions in respect of average claim costs, claims handling costs, claims inflation factors and claim numbers for each accident year which are determined based on the Group's past claim experiences.

SUPPLEMENTARY INFORMATION
(Amounts in millions of Renminbi, unless otherwise stated)

I DIFFERENCES BETWEEN CONSOLIDATED FINANCIAL STATEMENTS UNDER IFRS ACCOUNTING STANDARDS AND CAS

There were no differences in the Group's operating results for the six-month periods ended 30 June 2026 and 30 June 2025 or total equity as at 30 June 2026 and 31 December 2025 presented in the Group's consolidated financial statements prepared under IFRS Accounting Standards and those prepared under CAS.

II UNREVIEWED SUPPLEMENTARY INFORMATION

1 Currency concentrations

The following information is computed in accordance with the provisions of the NFRA.

	Equivalent in millions of RMB			
	USD	**HKD**	**Other**	**Total**
As at 30 June 2026				
Spot assets	4,382,051	1,811,811	2,212,550	8,406,412
Spot liabilities	(4,471,463)	(2,326,536)	(1,749,310)	(8,547,309)
Forward purchases	8,173,968	1,818,720	2,668,548	12,661,236
Forward sales	(8,059,829)	(1,323,785)	(3,135,487)	(12,519,101)
Net options position*	51,177	6,205	(5,485)	51,897
Net long/(short) position	75,904	(13,585)	(9,184)	53,135
Structural position	14,880	262,974	136,351	414,205
As at 31 December 2025				
Spot assets	4,357,554	1,780,024	2,281,361	8,418,939
Spot liabilities	(4,454,127)	(2,287,594)	(1,768,179)	(8,509,900)
Forward purchases	10,421,016	1,695,220	2,615,148	14,731,384
Forward sales	(10,268,252)	(1,212,883)	(3,133,868)	(14,615,003)
Net options position*	(7,845)	3,297	944	(3,604)
Net long/(short) position	48,346	(21,936)	(4,594)	21,816
Structural position	14,194	264,796	136,010	415,000

* The net options position is calculated in accordance with the relevant provisions of the NFRA.

(Amounts in millions of Renminbi, unless otherwise stated)

II UNREVIEWED SUPPLEMENTARY INFORMATION (Continued)

2 Overdue assets

For the purpose of the table below, the entire outstanding balance of "Loans and advances to customers" and "Placements with and loans to banks and other financial institutions" are considered overdue if either principal or interest payment is overdue.

2.1 Total amount of overdue Loans and advances to customers

	As at 30 June 2026	**As at 31 December 2025**
Total loans and advances to customers which have been overdue		
Within 3 months	117,169	89,183
Between 3 and 6 months	44,094	32,775
Between 6 and 12 months	50,163	65,268
Over 12 months	123,521	108,718
Total	334,947	295,944
Percentage		
Within 3 months	0.48%	0.38%
Between 3 and 6 months	0.18%	0.14%
Between 6 and 12 months	0.20%	0.28%
Over 12 months	0.50%	0.46%
Total	1.36%	1.26%

2.2 Total amount of overdue Placements with and loans to banks and other financial institutions

The total amount of overdue "Placements with and loans to banks and other financial institutions" as at 30 June 2026 and 31 December 2025 was not considered material.