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中國工商銀行股份有限公司
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
(a joint stock limited company incorporated in the People's Republic of China with limited liability)
Stock Code: 1398
USD Preference Shares Stock Code: 4620

2025 Interim Results Announcement

The Board of Directors of Industrial and Commercial Bank of China Limited (the “Bank”) announces the unaudited interim results of the Bank and its subsidiaries (the “Group”) for the six months ended 30 June 2025. The Board of Directors and the Audit Committee of the Board of Directors of the Bank have reviewed and confirmed the unaudited interim results.

1. Corporate Information

1.1 Basic Information

	Stock name	Stock code	Stock exchange on which shares are listed
A Share	工商銀行	601398	Shanghai Stock Exchange
H Share	ICBC	1398	The Stock Exchange of Hong Kong Limited
Offshore Preference Share	ICBC 20USDPREF	4620	The Stock Exchange of Hong Kong Limited
Domestic Preference Share	工行優 1	360011	Shanghai Stock Exchange
	工行優 2	360036	

1.2 Contact

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2. Financial Highlights

Financial data and indicators in this Results Announcement are prepared in accordance with IFRSs and, unless otherwise specified, are consolidated amounts of the Bank and its subsidiaries and denominated in Renminbi.

Financial Data

	Six months ended 30 June 2025	Six months ended 30 June 2024	Six months ended 30 June 2023
Operating results (in RMB millions)			
Net interest income	313,576	313,950	336,987
Net fee and commission income	67,020	67,405	73,465
Operating income	409,082	401,999	428,906
Operating expenses	108,570	105,208	105,379
Impairment losses on assets ⁽¹⁾	104,529	102,069	122,255
Operating profit	195,983	194,722	201,272
Profit before taxation	199,008	197,184	203,655
Net profit	168,803	171,296	174,720
Net profit attributable to equity holders of the parent company	168,103	170,467	173,744
Net cash flows from operating activities	786,317	26,983	1,297,269
Per share data (in RMB yuan)			
Basic earnings per share ⁽²⁾	0.46	0.47	0.48
Diluted earnings per share ⁽²⁾	0.46	0.47	0.48
	30 June 2025	31 December 2024	31 December 2023
Assets and liabilities (in RMB millions)			
Total assets	52,317,931	48,821,746	44,697,079
Total loans and advances to customers	30,185,659	28,372,229	26,086,482
Corporate loans	18,829,530	17,482,223	16,145,204
Personal loans	9,167,362	8,957,720	8,653,621
Discounted bills	2,188,767	1,932,286	1,287,657
Allowance for impairment losses on loans ⁽³⁾	871,064	815,497	756,391
Investment	15,568,428	14,153,576	11,849,668
Total liabilities	48,179,055	44,834,480	40,920,491
Due to customers	36,904,556	34,836,973	33,521,174
Corporate deposits	16,311,951	15,507,405	16,209,928
Personal deposits	19,832,184	18,541,510	16,565,568
Other deposits	258,670	228,721	210,185
Accrued interest	501,751	559,337	535,493
Due to banks and other financial institutions	5,170,135	4,590,965	3,369,858

	30 June 2025	31 December 2024	31 December 2023
Equity attributable to equity holders of the parent company	4,114,692	3,969,841	3,756,887
Share capital	356,407	356,407	356,407
Net common equity tier 1 capital ⁽⁴⁾	3,728,532	3,624,342	3,381,941
Net tier 1 capital ⁽⁴⁾	4,093,659	3,949,453	3,736,919
Net capital base ⁽⁴⁾	5,245,219	4,986,531	4,707,100
Risk-weighted assets ⁽⁴⁾	26,848,401	25,710,855	24,641,631
Per share data (in RMB yuan)			
Net asset value per share ⁽⁵⁾	10.52	10.23	9.55
Credit rating			
S&P ⁽⁶⁾	A	A	A
Moody's ⁽⁶⁾	A1	A1	A1

Notes: (1) Calculated by adding credit impairment losses with impairment losses on other assets.

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

(3) Calculated by adding allowance for impairment losses on loans and advances to customers measured at amortised cost with allowance for impairment losses on loans and advances to customers measured at fair value through other comprehensive income.

(4) Calculated in accordance with the Rules on Capital Management of Commercial Banks as at the end of June 2025 and for the comparable period of 2024. Calculated in accordance with the Rules on Capital Management of Commercial Banks (Provisional) for the comparable period of 2023.

(5) Calculated by dividing equity attributable to equity holders of the parent company after deduction of other equity instruments at the end of the reporting period by the total number of ordinary shares at the end of the reporting period.

(6) The rating results are in the form of “long-term foreign currency deposits rating”.

Financial Indicators

	Six months ended 30 June 2025	Six months ended 30 June 2024	Six months ended 30 June 2023
Profitability (%)			
Return on average total assets ⁽¹⁾	0.67*	0.75*	0.84*
Return on weighted average equity ⁽²⁾	8.82*	9.53*	10.51*
Net interest spread ⁽³⁾	1.16*	1.24*	1.52*
Net interest margin ⁽⁴⁾	1.30*	1.43*	1.72*
Return on risk-weighted assets ⁽⁵⁾⁽¹⁰⁾	1.28*	1.38*	1.50*
Ratio of net fee and commission income to operating income	16.38	16.77	17.13
Cost-to-income ratio ⁽⁶⁾	25.27	24.79	23.29
	30 June 2025	31 December 2024	31 December 2023
Asset quality (%)			
Non-performing loans (“NPLs”) ratio ⁽⁷⁾	1.33	1.34	1.36
Allowance to NPLs ⁽⁸⁾	217.71	214.91	213.97
Allowance to total loans ratio ⁽⁹⁾	2.89	2.87	2.90
Capital adequacy (%)			
Common equity tier 1 capital adequacy ratio ⁽¹⁰⁾	13.89	14.10	13.72
Tier 1 capital adequacy ratio ⁽¹⁰⁾	15.25	15.36	15.17
Capital adequacy ratio ⁽¹⁰⁾	19.54	19.39	19.10
Total equity to total assets ratio	7.91	8.17	8.45
Risk-weighted assets to total assets ratio ⁽¹⁰⁾	51.32	52.66	55.13

Notes: * indicates annualised ratios.

- (1) Calculated by dividing net profit by the average balance of total assets at the beginning and at the end of the reporting period.
- (2) Calculated in accordance with the Rules for the Compilation and Submission of Information Disclosure by Companies that Offer Securities to the Public No. 9 — Calculation and Disclosure of Return on Net Assets and Earnings per Share (Revision 2010) issued by the CSRC.
- (3) Calculated by the spread between yield on average balance of interest-generating assets and cost on average balance of interest-bearing liabilities.
- (4) Calculated by dividing net interest income by the average balance of interest-generating assets.
- (5) Calculated by dividing net profit by the average balance of risk-weighted assets at the beginning and at the end of the reporting period.
- (6) Calculated by dividing operating expense (less taxes and surcharges) by operating income.
- (7) Calculated by dividing the balance of NPLs by total balance of loans and advances to customers.
- (8) Calculated by dividing allowance for impairment losses on loans by total balance of NPLs.
- (9) Calculated by dividing allowance for impairment losses on loans by total balance of loans and advances to customers.
- (10) Calculated in accordance with the Rules on Capital Management of Commercial Banks as at the end of June 2025 and for the comparable period of 2024. Calculated in accordance with the Rules on Capital Management of Commercial Banks (Provisional) for the comparable period of 2023.

3. Overview of Business Operation

Since the beginning of the year, in the face of a rigid and complex external environment, the Bank has adhered to Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as its guiding principle, and resolutely implemented the decisions and plans of the Communist Party of China (“CPC”) Central Committee and the State Council. Driven by carrying out the implementation of the guiding principles of the Central Committee leadership’s Eight-Point Decision and the rectifications following the disciplinary inspection by the CPC Central Committee, the Bank has been committed to the guidance of Party building and advanced the “five transformations”. Effectively playing the role of a leading bank in supporting the sustained recovery and improvement of the economy, the Bank has made solid progress in high-quality development, thereby laying a solid foundation for achieving the annual goals and tasks and successfully concluding the 14th Five-Year Plan.

In the first half of the year, the Group achieved balanced growth in assets and liabilities, with its development resilience strengthened continuously. Total assets exceeded RMB52 trillion, and the scale of loans to customers and due to customers remained the leading position in the industry. The Bank achieved an operating income of RMB409,082 million, recording a growth of 1.8%, and a net profit of RMB168,803 million. The annualised return on average total assets and the annualised return on weighted average equity were 0.67% and 8.82%, respectively. The NPL ratio was 1.33%, down 0.01 percentage points. The capital adequacy ratio was 19.54%, and the allowance to NPLs was 217.71%, up 0.15 and 2.80 percentage points, respectively, further consolidating the foundation for prudent operations.

Focusing on supporting the “Four Stabilities” to improve and expand services to the real economy. The Bank proactively aligned with both existing and incremental policies. RMB denominated loans of domestic branches increased by RMB1.78 trillion, and RMB denominated bond investments grew by RMB1.23 trillion. The Bank underwrote the first batch of equity investment institutions’ sci-tech innovation bonds, with the pilot business scale of AIC equity investment leading the industry. The Bank highlighted its major responsibilities and core businesses in “industry” and its professional characteristics in “commerce”, well conducted financial work in the “Five Priorities”, and intensified support for major national economic strategies, key fields and weak links, achieving higher loan growth rates in manufacturing, sci-tech innovation, green development, and inclusive small and micro enterprises than the average. International trade finance of domestic branches rose by 35.4%, and international settlement volume increased by 18.5%, helping stabilize the fundamentals of foreign trade and foreign investment. The Bank actively boosted consumption, safeguarded people’s livelihoods, and strengthened consumer protection, with personal consumption loans increasing by 10.2%.

Strengthening the security defense line, with all kinds of risks remaining generally under control. In coordinating development and security, the Bank followed the path of “active prevention, smart control and comprehensive management” to firmly safeguard the bottom line of preventing systemic risks. It enhanced the enterprise risk management system, strengthened the control by the Risk Management and Internal Control Committee and the duty performance by risk officers, and further enhanced the bonding force of the “three lines of defense”. The Bank prudently supported risk mitigation in key areas such as real estate and local government debts, and established an integrated disposal and collection system for retail and inclusive loans, to maintain stable asset quality. The Bank placed equal emphasis on the construction and application of the intelligent risk control platform, strengthened cross-market and cross-area risk transmission monitoring and warning, and properly coped with the impact of external shocks such as global financial market fluctuations. The Bank stayed vigilant in its own safe operations and actively provided financial services for flood fighting and rescue, earthquake relief and disaster response, making every effort to safeguard the lives and property of customers and employees.

Accelerating reform and innovation to continuously unleash development momentum. The Bank strengthened the “three traditional pillars” of industry and commerce, retail banking, and technology, and meanwhile actively expanded presence in “new tracks” such as new financial infrastructure, new businesses, and new quality productive forces. It supported the prudent advancement of RMB internationalization with cross-border RMB business exceeding RMB5 trillion. The Bank continued to advance the GBC+ projects, implemented the mechanism of “allocating the land on the household basis and assessing it by household” in details, and further improved the ecosystem of “large, medium, small and micro enterprises and personal customers”. The balance of RMB deposits exceeded RMB35 trillion, up RMB1.92 trillion over the beginning of the year. The Bank streamlined and optimized the performance assessment indicator system, further enhancing operating capabilities across business segments. It accelerated the construction of D-ICBC, and launched the “AI+” Action Plan, with new technologies such as AI large models being applied in over 100 scenarios.

Net Interest Income

In the first half year, net interest income amounted to RMB313,576 million, representing a decrease of RMB374 million or 0.1% as compared to the same period of last year. Interest income amounted to RMB673,603 million, dropping by RMB47,450 million or 6.6%, and interest expenses decreased by RMB47,076 million or 11.6% to RMB360,027 million. Affected by factors such as reduction in the LPR, batch adjustments of outstanding mortgage rates and changes in the structure of deposit maturities, annualised net interest spread and net interest margin were 1.16% and 1.30%, 8 basis points and 13 basis points lower than those of the same period of last year, respectively.

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

In RMB millions, except for percentages

Item	Six months ended 30 June 2025			Six months ended 30 June 2024		
	Average balance	Interest income/expense	Average yield/cost (%)	Average balance	Interest income/expense	Average yield/cost (%)
Assets						
Loans and advances to customers	29,446,052	426,672	2.92	27,178,867	476,198	3.52
Investment	13,655,563	190,567	2.81	11,232,963	178,910	3.20
Due from central banks ⁽²⁾	3,070,303	25,685	1.69	3,204,355	27,068	1.70
Due from banks and other financial institutions ⁽³⁾	2,549,528	30,679	2.43	2,586,357	38,877	3.02
Total interest-generating assets	48,721,446	673,603	2.79	44,202,542	721,053	3.28
Non-interest-generating assets	2,969,589			2,791,454		
Allowance for impairment losses on assets	(914,606)			(854,549)		
Total assets	50,776,429			46,139,447		
Liabilities						
Deposits	34,393,438	247,503	1.45	32,650,789	298,566	1.84
Due to banks and other financial institutions ⁽³⁾	7,458,573	74,092	2.00	5,497,111	74,688	2.73
Debt securities issued and certificates of deposit	2,810,629	38,432	2.76	1,898,631	33,849	3.59
Total interest-bearing liabilities	44,662,640	360,027	1.63	40,046,531	407,103	2.04
Non-interest-bearing liabilities	2,280,591			2,242,517		
Total liabilities	46,943,231			42,289,048		
Net interest income		313,576			313,950	
Net interest spread			1.16			1.24
Net interest margin			1.30			1.43

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

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

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

ANALYSIS OF CHANGES IN INTEREST INCOME AND EXPENSE

In RMB millions

Item	Comparison between six months ended 30 June 2025 and 30 June 2024		
	Increase/(decrease) due to		Net increase/ (decrease)
	Volume	Interest rate	
Assets			
Loans and advances to customers	31,340	(80,866)	(49,526)
Investment	33,381	(21,724)	11,657
Due from central banks	(1,224)	(159)	(1,383)
Due from banks and other financial institutions	(631)	(7,567)	(8,198)
Changes in interest income	62,866	(110,316)	(47,450)
Liabilities			
Deposits	12,083	(63,146)	(51,063)
Due to banks and other financial institutions	19,304	(19,900)	(596)
Debt securities issued and certificates of deposit	12,398	(7,815)	4,583
Changes in interest expenses	43,785	(90,861)	(47,076)
Changes in net interest income	19,081	(19,455)	(374)

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

Interest Income

◆ Interest Income on Loans and Advances to Customers

Interest income on loans and advances to customers was RMB426,672 million, RMB49,526 million or 10.4% lower compared to the same period of last year, mainly due to the decrease of 60 basis points in the average yield of loans and advances to customers, and the increase of 8.3% in the average balance partially offset the effect of yield decrease.

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

In RMB millions, except for percentages

Item	Six months ended 30 June 2025			Six months ended 30 June 2024		
	Average balance	Interest income	Average yield (%)	Average balance	Interest income	Average yield (%)
Short-term loans	7,488,259	85,593	2.31	6,310,458	93,344	2.97
Medium to long-term loans	21,957,793	341,079	3.13	20,868,409	382,854	3.69
Total loans and advances to customers	29,446,052	426,672	2.92	27,178,867	476,198	3.52

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

In RMB millions, except for percentages

Item	Six months ended 30 June 2025			Six months ended 30 June 2024		
	Average balance	Interest income	Average yield (%)	Average balance	Interest income	Average yield (%)
Corporate loans	17,277,001	247,957	2.89	16,074,948	266,213	3.33
Discounted bills	2,059,556	9,590	0.94	1,243,561	8,419	1.36
Personal loans	8,831,878	136,218	3.11	8,563,600	161,611	3.80
Overseas business	1,277,617	32,907	5.19	1,296,758	39,955	6.20
Total loans and advances to customers	29,446,052	426,672	2.92	27,178,867	476,198	3.52

◆ Interest Income on Investment

Interest income on investment amounted to RMB190,567 million, representing an increase of RMB11,657 million or 6.5% as compared to the same period of last year, mainly due to the increase of 21.6% in the average balance of investment, and the decrease of 39 basis points in the average yield partially offset the effect of scale growth.

◆ Interest Income on Due from Central Banks

Interest income on due from central banks was RMB25,685 million, representing a decrease of RMB1,383 million or 5.1% as compared to the same period of last year.

◆ Interest Income on Due from Banks and Other Financial Institutions

Interest income on due from banks and other financial institutions was RMB30,679 million, representing a decrease of RMB8,198 million or 21.1% as compared to the same period of last year, primarily due to the decrease in the average yield of lending.

Interest Expense

◆ Interest Expense on Deposits

Interest expense on deposits amounted to RMB247,503 million, representing a decrease of RMB51,063 million or 17.1% as compared to the same period of last year, mainly due to the decrease of 39 basis points in the average cost. The Bank actively implemented various interest rate self-regulation initiatives, aligning deposit rate adjustments with monetary policy shifts to achieve a steady decline in interest payment costs.

ANALYSIS OF AVERAGE DEPOSIT COST BY PRODUCTS

In RMB millions, except for percentages

Item	Six months ended 30 June 2025			Six months ended 30 June 2024		
	Average balance	Interest expense	Average cost (%)	Average balance	Interest expense	Average cost (%)
Corporate deposits						
Time deposits	7,679,082	74,152	1.95	7,956,035	100,162	2.53
Demand deposits	6,691,349	20,567	0.62	6,842,825	33,854	0.99
Subtotal	14,370,431	94,719	1.33	14,798,860	134,016	1.82
Personal deposits						
Time deposits	12,369,332	125,318	2.04	10,724,694	131,631	2.47
Demand deposits	6,391,250	2,222	0.07	5,992,035	6,762	0.23
Subtotal	18,760,582	127,540	1.37	16,716,729	138,393	1.66
Overseas business	1,262,425	25,244	4.03	1,135,200	26,157	4.63
Total deposits	34,393,438	247,503	1.45	32,650,789	298,566	1.84

◆ Interest Expense on Due to Banks and Other Financial Institutions

Interest expense on due to banks and other financial institutions was RMB74,092 million, representing a decrease of RMB596 million or 0.8% as compared to the same period of last year.

◆ Interest Expense on Debt Securities Issued and Certificates of Deposit

Interest expense on debt securities issued and certificates of deposit was RMB38,432 million, indicating an increase of RMB4,583 million or 13.5% over the same period of last year, mainly attributable to the increased scale of the negotiable certificates of deposit (“NCDs”).

Non-interest Income

In the first half of 2025, non-interest income increased by RMB7,457 million or 8.5% to RMB95,506 million, accounting for 23.3% of the Bank’s operating income. Specifically, net fee and commission income fell by RMB385 million or 0.6% to RMB67,020 million, and other non-interest income increased by RMB7,842 million or 38.0% to RMB28,486 million.

NET FEE AND COMMISSION INCOME

In RMB millions, except for percentages

Item	Six months ended 30 June 2025	Six months ended 30 June 2024	Increase/ (decrease)	Growth rate (%)
Settlement, clearing and cash management	23,216	26,163	(2,947)	(11.3)
Investment banking business	14,775	14,835	(60)	(0.4)
Personal wealth management and private banking services	9,990	10,281	(291)	(2.8)
Bank card business	8,823	9,145	(322)	(3.5)
Corporate wealth management services	7,212	5,794	1,418	24.5
Asset custody services	4,274	4,118	156	3.8
Guarantee and commitment business	2,336	2,978	(642)	(21.6)
Trust and agency services	1,463	1,435	28	2.0
Others	2,073	1,624	449	27.6
Fee and commission income	74,162	76,373	(2,211)	(2.9)
Less: Fee and commission expense	7,142	8,968	(1,826)	(20.4)
Net fee and commission income	67,020	67,405	(385)	(0.6)

In the first half of 2025, the Bank's net fee and commission income was RMB67,020 million, representing a year-on-year decrease of RMB385 million or 0.6%. The income from corporate wealth management services recorded an increase of RMB1,418 million, mainly because the Bank increased income from products such as agency precious metals, agency financial bonds, and agency securities by seizing market opportunities. The income from asset custody services recorded an increase of RMB156 million, mainly because of the solid growth in assets under custody resulted from the Bank's business expansion. Other income increased by RMB449 million, mainly due to the sound growth in pension business. Affected by external factors such as market environment changes, income from payment and trading businesses decreased. The Bank's proactive adjustment to lower fee rates for guarantee and commitment business resulted in a decline in relevant product income. Fee and commission expenses declined by RMB1,826 million, principally due to a reduction in acquiring fees.

OTHER NON-INTEREST RELATED GAINS

In RMB millions, except for percentages

Item	Six months ended 30 June 2025	Six months ended 30 June 2024	Increase/ (decrease)	Growth rate (%)
Net trading income	7,613	9,612	(1,999)	(20.8)
Net gains on financial investments	18,294	14,744	3,550	24.1
Other operating income/(expense), net	2,579	(3,712)	6,291	N/A
Total	28,486	20,644	7,842	38.0

Other non-interest related gains amounted to RMB28,486 million, representing an increase of RMB7,842 million or 38.0% as compared to the same period of last year. Among these, the decrease in net trading income was mainly due to the decrease in unrealised gains on trading bond investment; the increase in net gains on financial investments was primarily because of the Bank's seizing market opportunities to achieve increase in realised gains on bond investment; and the changes in other net operating income resulted from the decrease in net losses on foreign exchange and exchange rate products and net expenses on insurance service.

Operating Expenses

In RMB millions, except for percentages

Item	Six months ended 30 June 2025	Six months ended 30 June 2024	Increase/ (decrease)	Growth rate (%)
Staff costs	64,163	63,317	846	1.3
Property and equipment expenses	13,156	13,142	14	0.1
Taxes and surcharges	5,199	5,550	(351)	(6.3)
Amortisation	2,568	2,379	189	7.9
Others	23,484	20,820	2,664	12.8
Total	108,570	105,208	3,362	3.2

Impairment Losses

In the first half of 2025, the Bank set aside the credit impairment losses of RMB104,007 million, indicating an increase of RMB2,198 million or 2.2% as compared to the same period of last year. Specifically, impairment losses on loans were RMB102,215 million, indicating an increase of RMB7,689 million or 8.1%. Impairment losses on other assets were RMB522 million, indicating an increase of RMB262 million or 100.8%. Please refer to "Note 9. to the Financial Statements: Credit Impairment Losses; Note 23. to the Financial Statements: Impairment Allowance" for details.

Income Tax Expense

Income tax expense increased by RMB4,317 million or 16.7% to RMB30,205 million as compared to the same period of last year. The effective tax rate was 15.18%, lower than the statutory tax rate of 25%, primarily because the interest income on Chinese government bonds and local government bonds was exempted from tax under the relevant tax law.

Summary Geographical Segment Information

In RMB millions, except for percentages

Item	Six months ended 30 June 2025		Six months ended 30 June 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Operating income	409,082	100.0	401,999	100.0
Head Office	29,154	7.1	9,848	2.4
Yangtze River Delta	77,504	18.9	77,150	19.2
Pearl River Delta	48,772	11.9	53,900	13.4
Bohai Rim	86,064	21.0	83,792	20.8
Central China	54,444	13.3	58,146	14.5
Western China	59,608	14.6	63,957	15.9
Northeastern China	13,727	3.4	14,692	3.7
Overseas and others	39,861	9.8	40,530	10.1
Eliminations	(52)	(0.0)	(16)	(0.0)
Profit before taxation	199,008	100.0	197,184	100.0
Head Office	(20,069)	(10.1)	(23,538)	(11.9)
Yangtze River Delta	49,744	25.0	48,108	24.4
Pearl River Delta	21,887	11.0	21,478	10.9
Bohai Rim	58,428	29.4	57,209	29.0
Central China	24,382	12.3	26,524	13.5
Western China	31,505	15.8	32,481	16.5
Northeastern China	7,121	3.6	6,597	3.3
Overseas and others	26,010	13.0	28,325	14.3
Eliminations	—	—	—	—

Note: Please see “Note 42. to the Financial Statements: Segment Information” for details.

4.1.2 Balance Sheet Analysis

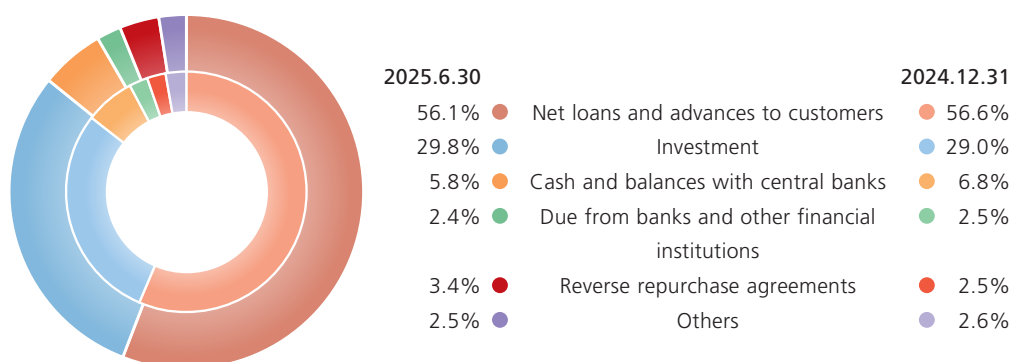
In the first half of 2025, the Bank earnestly implemented the macroeconomic and financial policies and regulatory requirements, made efforts to build a clean and healthy balance sheet by dynamically optimizing the total volume and the strategic structure of the assets and liabilities, advanced the “five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

The Bank adhered to the integrated development strategy of investment and financing. Focusing on the modern layout, the Bank supported the high-quality economic development, and refined and deepened the “Five Priorities” of technology finance, green finance, inclusive finance, pension finance and digital finance. Moreover, the Bank intensified support for key fields such as green finance, technology finance, private businesses and inclusive finance, and supported to accelerate the cultivation and development of new quality productive forces. The Bank enhanced the diversification of liabilities, and continued to promote the GBC+ projects, so that its deposits maintained the high-quality development trend. The Bank expanded and stabilized the source of funds, continued to improve the multi-channel funding mechanism including financial bonds and NCDs, and promoted the matching of fund source and fund utilization.

Assets Deployment

As at the end of June, total assets of the Bank amounted to RMB52,317,931 million, RMB3,496,185 million or 7.2% higher than that at the end of the prior year. Specifically, total loans and advances to customers (collectively referred to as “total loans”) increased by RMB1,813,430 million or 6.4% to RMB30,185,659 million, investment increased by RMB1,414,852 million or 10.0% to RMB15,568,428 million, and cash and balances with central banks decreased by RMB267,139 million or 8.0% to RMB3,055,772 million.

Structure of assets



In RMB millions, except for percentages

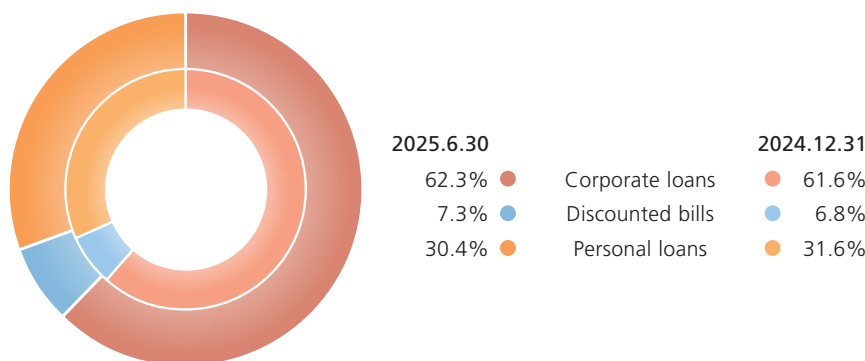
Item	At 30 June 2025		At 31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Total loans and advances to customers	30,185,659	–	28,372,229	–
Add: Accrued interest	56,921	–	56,624	–
Less: Allowance for impairment losses on loans and advances to customers measured at amortised cost	870,693	–	815,072	–
Net loans and advances to customers ⁽¹⁾	29,371,887	56.1	27,613,781	56.6
Investment	15,568,428	29.8	14,153,576	29.0
Cash and balances with central banks	3,055,772	5.8	3,322,911	6.8
Due from banks and other financial institutions	1,247,437	2.4	1,219,876	2.5
Reverse repurchase agreements	1,772,664	3.4	1,210,217	2.5
Others	1,301,743	2.5	1,301,385	2.6
Total assets	52,317,931	100.0	48,821,746	100.0

Note: (1) Please see “Note 17. to the Financial Statements: Loans and Advances to Customers” for details.

◆ Loan

The Bank was earnestly committed to implementing major national strategies, and focused on enhancing the efficiency of credit resource allocation and fund utilization. It continuously optimized the structure of loans, and stepped up credit support for “Major Strategies, Key Fields and Weak Links”. The Bank continued to improve the system and mechanism for the development of new quality productive forces, constantly playing the role as the main force in serving the real economy. Additionally, the Bank improved the financing product chain for the housing ecosystem, enriched product innovation and supply in the fields of personal consumption and business operation, and promoted the structural transformation of personal loan business. As at the end of June, total loans amounted to RMB30,185,659 million, RMB1,813,430 million or 6.4% higher compared with the end of the previous year, of which RMB-denominated loans of domestic branches increased by RMB1,782,596 million or 6.7% to RMB28,478,177 million.

Distribution of loans by business line



DISTRIBUTION OF LOANS BY BUSINESS LINE

In RMB millions, except for percentages

Item	At 30 June 2025		At 31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Corporate loans	18,829,530	62.3	17,482,223	61.6
Short-term corporate loans	4,347,910	14.4	3,819,683	13.5
Medium to long-term corporate loans	14,481,620	47.9	13,662,540	48.1
Discounted bills	2,188,767	7.3	1,932,286	6.8
Personal loans	9,167,362	30.4	8,957,720	31.6
Residential mortgages	6,046,550	20.1	6,083,180	21.5
Personal consumption loans	464,185	1.5	421,195	1.5
Personal business loans	1,859,611	6.2	1,677,981	5.9
Credit card overdrafts	797,016	2.6	775,364	2.7
Total	30,185,659	100.0	28,372,229	100.0

The Bank actively met funding demands in fields such as “Major Strategies and Key Fields” and “Renewal and Trade-in”. Loans to manufacturing, sci-tech innovation, green finance, inclusive finance, agriculture-related field and other key fields achieved relatively rapid growth. Corporate loans rose by RMB1,347,307 million or 7.7% from the end of last year. Specifically, short-term corporate loans increased by RMB528,227 million or 13.8%, and medium to long-term corporate loans increased by RMB819,080 million or 6.0%.

The Bank continued to improve the “Housing Ecosystem+” financing product system to meet customers’ diverse housing financing needs. Focusing on the policy direction of benefiting people’s livelihood, promoting consumption and serving key groups, as well as the production, operation and consumption needs of key customer groups such as small and micro enterprise owners and self-employed businesses, the Bank expanded and optimized personal consumption loans and personal business loans through product optimization and innovation. Moreover, the Bank fully implemented the consumer goods trade-in programs, focused on high-quality credit card customer groups, expanded high-quality scenarios, and promoted the steady development of installment business. Personal loans increased by RMB209,642 million or 2.3% compared with the end of last year. Specifically, personal consumption loans grew by RMB42,990 million or 10.2%; personal business loans grew by RMB181,630 million or 10.8%; and credit card overdrafts added by RMB21,652 million or 2.8%.

DISTRIBUTION OF LOANS BY FIVE-CATEGORY CLASSIFICATION

In RMB millions, except for percentages

Item	At 30 June 2025		At 31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Pass	29,209,671	96.76	27,418,600	96.64
Special mention	575,883	1.91	574,171	2.02
NPLs	400,105	1.33	379,458	1.34
Substandard	96,866	0.32	85,881	0.31
Doubtful	95,854	0.32	103,049	0.36
Loss	207,385	0.69	190,528	0.67
Total	30,185,659	100.00	28,372,229	100.00

According to the five-category classification, pass loans amounted to RMB29,209,671 million as at the end of June, representing an increase of RMB1,791,071 million compared to the end of the previous year and accounting for 96.76% of total loans. Special mention loans amounted to RMB575,883 million, representing an increase of RMB1,712 million and accounting for 1.91% of total loans, down 0.11 percentage points. NPLs amounted to RMB400,105 million, showing an increase of RMB20,647 million, and NPL ratio was 1.33%, dropping 0.01 percentage points.

DISTRIBUTION OF LOANS AND NPLS

In RMB millions, except for percentages

Item	At 30 June 2025				At 31 December 2024			
	Loan	Percentage (%)	NPLs	NPL ratio (%)	Loan	Percentage (%)	NPLs	NPL ratio (%)
Corporate loans	18,829,530	62.3	276,402	1.47	17,482,223	61.6	276,631	1.58
Short-term corporate loans	4,347,910	14.4	89,674	2.06	3,819,683	13.5	90,949	2.38
Medium to long-term corporate loans	14,481,620	47.9	186,728	1.29	13,662,540	48.1	185,682	1.36
Discounted bills	2,188,767	7.3	–	–	1,932,286	6.8	–	–
Personal loans	9,167,362	30.4	123,703	1.35	8,957,720	31.6	102,827	1.15
Residential mortgages	6,046,550	20.1	52,021	0.86	6,083,180	21.5	44,317	0.73
Personal consumption loans	464,185	1.5	11,645	2.51	421,195	1.5	10,057	2.39
Personal business loans	1,859,611	6.2	30,145	1.62	1,677,981	5.9	21,280	1.27
Credit card overdrafts	797,016	2.6	29,892	3.75	775,364	2.7	27,173	3.50
Total	30,185,659	100.0	400,105	1.33	28,372,229	100.0	379,458	1.34

As at the end of June, corporate NPLs were RMB276,402 million, representing a decrease of RMB229 million over the end of last year, with an NPL ratio of 1.47%, down 0.11 percentage points. Personal NPLs stood at RMB123,703 million, growing by RMB20,876 million, with an NPL ratio of 1.35%, up 0.20 percentage points.

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

In RMB millions, except for percentages

Item	At 30 June 2025				At 31 December 2024			
	Loan	Percentage (%)	NPLs	NPL ratio (%)	Loan	Percentage (%)	NPLs	NPL ratio (%)
Transportation, storage and postal services	3,999,993	22.8	11,765	0.29	3,859,790	23.8	14,286	0.37
Manufacturing	2,780,064	15.9	42,271	1.52	2,454,489	15.1	45,932	1.87
Leasing and commercial services	2,684,877	15.3	39,376	1.47	2,417,060	14.9	36,844	1.52
Water, environment and public utility management	1,918,884	10.9	14,950	0.78	1,839,421	11.4	16,725	0.91
Production and supply of electricity, heating, gas and water	1,843,699	10.5	6,254	0.34	1,756,221	10.8	7,479	0.43
Wholesale and retail	909,843	5.2	36,936	4.06	768,713	4.7	37,403	4.87
Real estate	898,559	5.1	48,261	5.37	880,986	5.4	43,964	4.99
Construction	577,878	3.3	13,988	2.42	483,623	3.0	14,417	2.98
Science, education, culture and sanitation	452,615	2.6	9,179	2.03	400,666	2.5	8,453	2.11
Mining	379,074	2.2	1,543	0.41	328,337	2.0	1,723	0.52
Others	1,087,481	6.2	16,678	1.53	1,015,627	6.4	16,615	1.64
Total	17,532,967	100.0	241,201	1.38	16,204,933	100.0	243,841	1.50

The Bank continued to carry forward the optimization of the industrial structure of loan supply and stepped up efforts to support the real economy. Loans to manufacturing increased by RMB325,575 million or 13.3% over the end of last year, mainly granted to leading backbone enterprises and key projects in high-end manufacturing such as next-generation information technology, aerospace equipment and fine chemicals projects. Loans to leasing and commercial services increased by RMB267,817 million, representing an increase of 11.1%, mainly due to the increased financing needs of customers in the fields of management services of corporate headquarters, parks and commercial complex. Wholesale and retail loans increased by RMB141,130 million, up 18.4%, mainly due to the rising financing demand in commodity trade and retail sectors such as department stores, supermarkets and home appliances on the sustained tailwinds of a raft of incremental policies. Loans to transportation, storage and postal services increased by RMB140,203 million or 3.6%, mainly granted to road network reinforcement projects in the Eastern China and Central China, projects to shore up weak links in the Western China, and satisfied the financing needs of high-quality railway investment subjects. Construction loans increased by RMB94,255 million, representing an increase of 19.5%, focusing on supporting the orderly commencement of major infrastructure projects. Loans to production and supply of electricity, heating, gas and water increased by RMB87,478 million, up 5.0%, mainly granted to thermal power, hydropower and new energy generation, with a focus on meeting the financing needs of key enterprises as well as to projects construction relating to clean energy, UHV-related coal-fired power and coal-fired power in power-deficient areas.

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

DISTRIBUTION OF LOANS AND NPLS BY GEOGRAPHIC AREA

In RMB millions, except for percentages

Item	At 30 June 2025				At 31 December 2024			
	Loan	Percentage (%)	NPLs	NPL ratio (%)	Loan	Percentage (%)	NPLs	NPL ratio (%)
Head Office	899,431	3.0	39,653	4.41	874,284	3.1	38,358	4.39
Yangtze River Delta	6,652,560	22.0	53,823	0.81	6,182,636	21.8	47,345	0.77
Pearl River Delta	4,550,608	15.1	80,397	1.77	4,348,121	15.3	66,187	1.52
Bohai Rim	5,063,684	16.8	53,580	1.06	4,677,575	16.5	56,810	1.21
Central China	4,764,402	15.8	51,233	1.08	4,416,409	15.6	49,717	1.13
Western China	5,563,063	18.4	69,516	1.25	5,233,652	18.4	68,406	1.31
Northeastern China	1,189,425	3.9	14,612	1.23	1,158,000	4.1	17,480	1.51
Overseas and others	1,502,486	5.0	37,291	2.48	1,481,552	5.2	35,155	2.37
Total	30,185,659	100.0	400,105	1.33	28,372,229	100.0	379,458	1.34

MOVEMENTS OF ALLOWANCE FOR IMPAIRMENT LOSSES ON LOANS

In RMB millions

Item	Allowance for impairment losses on loans and advances to customers measured at amortised cost				Allowance for impairment losses on loans and advances to customers measured at FVTOCI			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2025	354,083	156,502	304,487	815,072	353	51	21	425
Transfer:								
to stage 1	21,422	(18,787)	(2,635)	–	–	–	–	–
to stage 2	(7,249)	12,339	(5,090)	–	–	–	–	–
to stage 3	(3,432)	(21,425)	24,857	–	–	–	–	–
Charge/(reversal)	40,300	26,256	35,721	102,277	(35)	(29)	2	(62)
Write-offs and transfer out	–	–	(51,001)	(51,001)	–	–	–	–
Recoveries of loans and advances previously written off	–	–	6,058	6,058	–	–	–	–
Other movements	(141)	(249)	(1,323)	(1,713)	9	(1)	–	8
Balance at 30 June 2025	404,983	154,636	311,074	870,693	327	21	23	371

Note: Please see “Note 17. to the Financial Statements: Loans and Advances to Customers” for details.

As at the end of June, allowance for impairment losses on loans stood at RMB871,064 million, of which RMB870,693 million on loans measured at amortised cost, and RMB371 million on loans measured at fair value through other comprehensive income. Allowance to NPLs was 217.71%, representing an increase of 2.80 percentage points over the end of last year, and allowance to total loans ratio was 2.89%, representing an increase of 0.02 percentage points over the end of last year.

DISTRIBUTION OF LOANS BY COLLATERAL

In RMB millions, except for percentages

Item	At 30 June 2025		At 31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Loans secured by mortgages	11,002,441	36.4	10,787,880	38.0
Pledged loans	4,221,864	14.0	3,797,121	13.4
Guaranteed loans	2,779,412	9.2	2,708,808	9.5
Unsecured loans	12,181,942	40.4	11,078,420	39.1
Total	30,185,659	100.0	28,372,229	100.0

OVERDUE LOANS

In RMB millions, except for percentages

Overdue periods	At 30 June 2025		At 31 December 2024	
	Amount	% of total loans	Amount	% of total loans
Less than 3 months	134,974	0.45	122,360	0.43
3 months to 1 year	141,637	0.47	120,579	0.42
1 to 3 years	136,796	0.45	124,646	0.44
Over 3 years	45,593	0.15	39,154	0.14
Total	459,000	1.52	406,739	1.43

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

Overdue loans stood at RMB459,000 million, representing an increase of RMB52,261 million from the end of the previous year. Among them, loans overdue for over 3 months amounted to RMB324,026 million, representing an increase of RMB39,647 million.

RESCHEDULED LOANS

Rescheduled loans and advances measured according to the Measures for Risk Classification of Financial Assets of Commercial Banks amounted to RMB140,962 million, representing an increase of RMB1,876 million as compared to the end of the previous year. Among them, rescheduled loans and advances overdue for over 3 months amounted to RMB6,107 million, representing a decrease of RMB17,271 million.

LOAN MIGRATION RATIO

In percentages

Item	At 30 June 2025	At 31 December 2024	At 31 December 2023
Pass	1.22	1.09	1.05
Special mention	27.01	17.44	18.61
Substandard	118.35	59.86	61.74
Doubtful	90.14	53.45	77.49

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

BORROWER CONCENTRATION

As at the end of June, the total amount of loans granted by the Bank to the single largest borrower and top ten single borrowers accounted for 4.3% and 19.3% of the Bank's net capital base, respectively. The total amount of loans granted to the top ten single borrowers was RMB1,009,738 million, accounting for 3.3% of the total loans.

Item	At 30 June 2025	At 31 December 2024	At 31 December 2023
Loan concentration to the single largest borrower (%)	4.3	4.4	4.5
Loan concentration to the top ten borrowers (%)	19.3	21.6	23.5

The table below shows the details of the loans granted to the top ten single borrowers of the Bank as at the end of June.

In RMB millions, except for percentages			
Borrower	Industry	Amount	% of total loans
Borrower A	Transportation, storage and postal services	228,016	0.8
Borrower B	Finance	168,146	0.5
Borrower C	Production and supply of electricity, heating, gas and water	150,000	0.5
Borrower D	Transportation, storage and postal services	89,516	0.3
Borrower E	Production and supply of electricity, heating, gas and water	70,500	0.2
Borrower F	Transportation, storage and postal services	64,423	0.2
Borrower G	Production and supply of electricity, heating, gas and water	62,599	0.2
Borrower H	Finance	62,560	0.2
Borrower I	Transportation, storage and postal services	58,148	0.2
Borrower J	Finance	55,830	0.2
Total		1,009,738	3.3

◆ Investment

The Bank reinforced its support for serving the real economy, actively carried out bond investment, coordinated the investment value and prevention and control of interest rate risk, and reasonably arranged the bond types and term structure. As at the end of June, investment amounted to RMB15,568,428 million, representing an increase of RMB1,414,852 million or 10.0% from the end of the previous year. Among these, bonds rose by RMB1,390,030 million or 10.2% to RMB15,034,952 million.

In RMB millions, except for percentages

Item	At 30 June 2025		At 31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Bonds	15,034,952	96.6	13,644,922	96.4
Equity instruments	215,348	1.4	196,993	1.4
Funds and others	186,642	1.2	178,941	1.3
Accrued interest	131,486	0.8	132,720	0.9
Total	15,568,428	100.0	14,153,576	100.0

DISTRIBUTION OF INVESTMENT IN BONDS BY ISSUERS

In RMB millions, except for percentages

Item	At 30 June 2025		At 31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Government and central bank bonds	11,361,857	75.6	10,422,907	76.4
Policy bank bonds	1,315,200	8.7	1,097,125	8.0
Bonds of banks and other financial institutions	1,545,820	10.3	1,398,606	10.3
Enterprise bonds	812,075	5.4	726,284	5.3
Total	15,034,952	100.0	13,644,922	100.0

In terms of distribution by issuers, government and central bank bonds increased by RMB938,950 million or 9.0% over the end of last year; policy bank bonds increased by RMB218,075 million or 19.9%; bonds of banks and other financial institutions went up by RMB147,214 million or 10.5%; and enterprise bonds increased by RMB85,791 million or 11.8%.

DISTRIBUTION OF INVESTMENT IN BONDS BY REMAINING MATURITY

In RMB millions, except for percentages

Remaining maturity	At 30 June 2025		At 31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Undated ⁽¹⁾	993	0.0	83	0.0
Less than 3 months	1,075,771	7.2	750,923	5.5
3 to 12 months	2,358,920	15.7	2,337,828	17.1
1 to 5 years	5,731,040	38.1	4,992,268	36.6
Over 5 years	5,868,228	39.0	5,563,820	40.8
Total	15,034,952	100.0	13,644,922	100.0

Note: (1) Refers to overdue bonds.

DISTRIBUTION OF INVESTMENT IN BONDS BY CURRENCY

In RMB millions, except for percentages

Item	At 30 June 2025		At 31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
RMB-denominated bonds	13,929,359	92.7	12,703,351	93.1
USD-denominated bonds	755,019	5.0	619,013	4.5
Other foreign currency bonds	350,574	2.3	322,558	2.4
Total	15,034,952	100.0	13,644,922	100.0

In terms of currency structure, RMB-denominated bonds rose by RMB1,226,008 million or 9.7% over the end of last year; USD-denominated bonds increased by an equivalent of RMB136,006 million or 22.0%; and other foreign currency bonds increased by an equivalent of RMB28,016 million or 8.7%. During the reporting period, the Bank reasonably arranged the bond currency structure based on changes in interest rates of various currencies and foreign-currency fund positions, in consideration of bond liquidity, safety and yield.

DISTRIBUTION OF INVESTMENT BY MEASURING METHOD

In RMB millions, except for percentages

Item	At 30 June 2025		At 31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Financial investments measured at fair value through profit or loss	956,846	6.1	1,010,439	7.1
Financial investments measured at fair value through other comprehensive income	4,016,365	25.8	3,291,152	23.3
Financial investments measured at amortised cost	10,595,217	68.1	9,851,985	69.6
Total	15,568,428	100.0	14,153,576	100.0

As at the end of June, the Group held RMB2,770,711 million of financial bonds¹, including RMB1,315,200 million of policy bank bonds and RMB1,455,511 million of bonds issued by banks and non-bank financial institutions, accounting for 47.5% and 52.5% of financial bonds, respectively.

TOP 10 FINANCIAL BONDS HELD BY THE BANK

In RMB millions, except for percentages

Bond name	Nominal value	Annual interest rate (%)	Maturity date	Allowance for impairment losses ⁽¹⁾
Policy bank bonds 2025	38,120	1.47	14 February 2028	—
Policy bank bonds 2025	27,900	1.32	7 January 2028	—
Policy bank bonds 2024	27,634	1.80	2 September 2027	—
Policy bank bonds 2024	27,231	1.80	23 July 2027	—
Policy bank bonds 2024	26,410	1.67	13 September 2027	—
Policy bank bonds 2025	25,240	1.59	15 April 2028	—
Policy bank bonds 2022	19,702	2.77	24 October 2032	—
Policy bank bonds 2020	19,580	3.23	23 March 2030	—
Policy bank bonds 2020	19,482	3.34	14 July 2025	—
Policy bank bonds 2024	19,249	1.66	4 September 2026	—

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

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

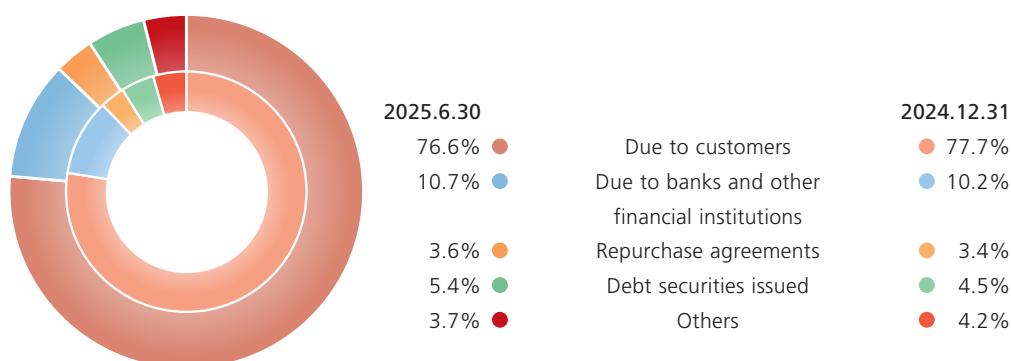
◆ Reverse Repurchase Agreements

Reverse repurchase agreements amounted to RMB1,772,664 million, representing an increase of RMB562,447 million or 46.5% from the end of the previous year, mainly because the Bank increased lending to the market based on fund changes.

Liabilities

As at the end of June, total liabilities reached RMB48,179,055 million, an increase of RMB3,344,575 million or 7.5% compared with the end of last year.

Structure of liabilities



In RMB millions, except for percentages

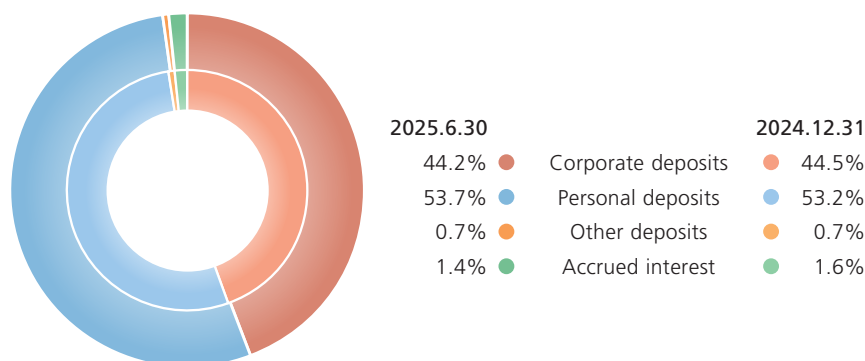
Item	At 30 June 2025		At 31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Due to customers	36,904,556	76.6	34,836,973	77.7
Due to banks and other financial institutions	5,170,135	10.7	4,590,965	10.2
Repurchase agreements	1,726,587	3.6	1,523,555	3.4
Debt securities issued	2,599,339	5.4	2,028,722	4.5
Others	1,778,438	3.7	1,854,265	4.2
Total liabilities	48,179,055	100.0	44,834,480	100.0

◆ Due to Customers

Due to customers is the Bank's main source of funds. Oriented towards high-quality deposit development, the Bank solidly advanced the GBC+ projects, exerted its advantages in comprehensive financial services, continued to build a coordinated ecosystem of "large, medium, small and micro enterprises and personal customers", and enhanced the stability of deposit growth. As at the end of June, due to customers was RMB36,904,556 million, RMB2,067,583 million or 5.9% higher than that at the end of the previous year. In terms of customer structure, corporate deposits increased by RMB804,546 million or 5.2%; and personal deposits increased by RMB1,290,674 million or 7.0%. In terms of maturity structure, time deposits rose by RMB1,608,007 million or 7.9%, while demand deposits increased by RMB487,213 million or 3.6%. In terms of currency structure, RMB deposits stood at RMB35,064,925 million, an increase

of RMB1,918,496 million or 5.8%. Foreign currency deposits were equivalent to RMB1,839,631 million, representing an increase of RMB149,087 million or 8.8%.

Distribution of due to customers by business line



DISTRIBUTION OF DUE TO CUSTOMERS BY BUSINESS LINE

In RMB millions, except for percentages

Item	At 30 June 2025		At 31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Corporate deposits				
Time deposits	8,959,863	24.3	8,349,110	24.0
Demand deposits	7,352,088	19.9	7,158,295	20.5
Subtotal	16,311,951	44.2	15,507,405	44.5
Personal deposits				
Time deposits	13,074,919	35.4	12,077,665	34.7
Demand deposits	6,757,265	18.3	6,463,845	18.5
Subtotal	19,832,184	53.7	18,541,510	53.2
Other deposits⁽¹⁾	258,670	0.7	228,721	0.7
Accrued interest	501,751	1.4	559,337	1.6
Total	36,904,556	100.0	34,836,973	100.0

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

DISTRIBUTION OF DUE TO CUSTOMERS BY GEOGRAPHIC AREA

In RMB millions, except for percentages

Item	At 30 June 2025		At 31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Head Office	30,006	0.1	31,864	0.1
Yangtze River Delta	6,981,297	18.9	6,661,782	19.1
Pearl River Delta	4,635,367	12.6	4,472,710	12.8
Bohai Rim	10,223,269	27.7	9,496,212	27.3
Central China	5,554,971	15.1	5,159,595	14.8
Western China	5,722,681	15.5	5,430,660	15.6
Northeastern China	2,080,260	5.6	1,953,728	5.6
Overseas and others	1,676,705	4.5	1,630,422	4.7
Total	36,904,556	100.0	34,836,973	100.0

Shareholders' Equity

As at the end of June, shareholders' equity amounted to RMB4,138,876 million in aggregate, RMB151,610 million or 3.8% higher than that at the end of the previous year. Equity attributable to equity holders of the parent company recorded an increase of RMB144,851 million or 3.6% to RMB4,114,692 million. Please refer to the "Consolidated Statement of Changes in Equity" for details.

Off-balance Sheet Items

The off-balance sheet items of the Bank mainly include derivative financial instruments, contingencies and commitments. For details on the nominal amount and fair value of derivative financial instruments, please refer to "Note 15. to the Financial Statements: Derivative Financial Instruments". For details on contingencies and commitments, please refer to "Note 40. to the Financial Statements: Commitments and Contingent Liabilities".

4.1.3 Analysis on Statement of Cash Flows

Net cash inflows from operating activities amounted to RMB786,317 million, representing an increase of RMB759,334 million as compared to the same period of last year, mainly attributable to the increase in net increase of due to customers. Specifically, cash outflows of operating assets increased by RMB242,789 million and cash inflows of operating liabilities increased by RMB988,041 million.

Net cash outflows from investing activities amounted to RMB1,177,672 million. Specifically, cash inflows were RMB3,059,932 million, representing an increase of RMB855,391 million as compared to the same period of last year, mainly due to the increased cash proceeds from the sale and redemption of financial investments; and cash outflows were RMB4,237,604 million, representing an increase of RMB1,244,945 million, mainly due to the increase in cash payment for financial investments.

Net cash inflows from financing activities amounted to RMB536,328 million, of which, cash inflows were RMB1,809,165 million, representing an increase of RMB886,118 million as compared to the same period of last year, mainly due to the increased cash proceeds from the issuance of debt securities; and cash outflows were RMB1,272,837 million, representing an increase of RMB532,594 million as compared to the same period of last year, mainly due to the increased cash payment for repayment of debt securities.

4.1.4 Changes of Major Accounting Policies

For changes of major accounting policies during the reporting period, please refer to "Note 2. to the Financial Statements: Basis of Preparation and Material Accounting Policy Information".

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

In respect of the financial statements of the Bank prepared under PRC GAAP and those under IFRSs, net profit attributable to equity holders of the parent company for the six months ended 30 June 2025 and equity attributable to equity holders of the parent company as at the end of the reporting period have no differences.

4.2 Business Overview

SUMMARY OPERATING SEGMENT INFORMATION

In RMB millions, except for percentages

Item	Six months ended 30 June 2025		Six months ended 30 June 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Operating income	409,082	100.0	401,999	100.0
Corporate banking	197,723	48.3	187,339	46.6
Personal banking	162,093	39.6	162,451	40.4
Treasury operations	47,916	11.7	49,749	12.4
Others	1,350	0.4	2,460	0.6
Profit before taxation	199,008	100.0	197,184	100.0
Corporate banking	63,568	32.0	92,620	47.0
Personal banking	92,769	46.6	63,520	32.2
Treasury operations	39,075	19.6	38,074	19.3
Others	3,596	1.8	2,970	1.5

Note: Please see “Note 42. to the Financial Statements: Segment Information” for details.

4.2.1 Corporate Banking

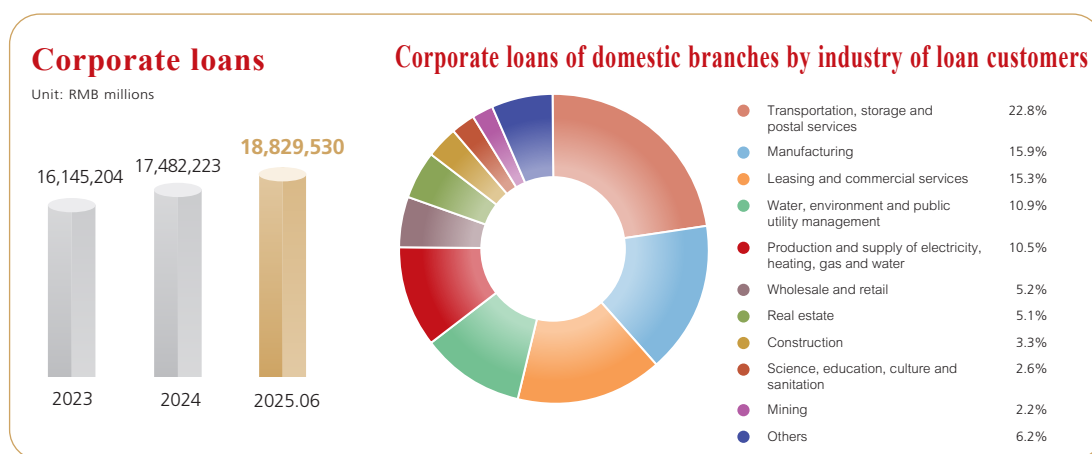
The Bank diligently implemented a moderately accommodative monetary policy and a raft of incremental financial policies, increased high-quality credit supply, and strived to provide comprehensive financial solutions for a wide range of market entities. These efforts have continuously enhanced its value creation capability, market competitiveness, market influence, and risk management capacity, better demonstrating its dedication to serving the real economy as the main force. At the end of June, corporate loans reached RMB18,829,530 million, representing an increase of RMB1,347,307 million or 7.7% over the end of last year. Corporate deposits stood at RMB16,311,951 million, representing an increase of RMB804,546 million or 5.2%. The Bank was awarded the “China’s Best Bank for Large Corporates” by *Euromoney*.

- ✧ The Bank pursued progress while maintaining stability, reinforcing its role as a main force in serving the real economy. In terms of “progress”, the Bank continuously enhanced its strength of serving the real economy. It implemented a moderately loose monetary policy, increased the proactive supply of high-quality credit loans, and actively aligned with ultra-long special treasury bond and local government bond projects to balance strong financial vitality and help the real economy rebound. The Bank also advanced the modern corporate credit framework and increased targeted support for key areas including the

“Five Priorities”, “Major Strategies and Key Fields”, “Renewal and Trade-in”, as well as food and energy security. To implement incremental financial policies, the Bank issued over RMB100.0 billion in equipment renewal loans, successfully completed its first re-lending for service consumption and elderly care, and led the market in underwriting sci-tech innovation bonds. In terms of “stability”, the Bank provided financial services to keep employment, businesses, markets and expectations stable. It proactively aligned with coordination mechanism of urban real estate financing, supported reasonable financing needs of high-quality real estate enterprises, and contributed to the development of the “market-based + affordable” housing supply system. The Bank also supported the creation of a new development model for the real estate sector to help stabilize and recover the real estate sector. In line with the principle of “unswervingly consolidating and developing the public sector and unswervingly encouraging, supporting, and guiding the development of the non-public sector”, the Bank jointly hosted large-scale marketing campaigns for private enterprises with the All-China Federation of Industry and Commerce. It introduced a package of ten measures to empower the high-quality development of the private sector and jointly launched initiatives to support financing for high-quality private enterprises, contributing to the sound development of the private economy.

- ✧ The Bank remained committed to the fundamental principles and innovation, contributing to the development of a modern industrial system. Building on “three traditional pillars”, the Bank focused on its major responsibilities and core businesses in “industry” and its professional characteristics in “commerce”. In the industrial sector, the Bank deeply advanced the “ICBC Loan for Upgrade and Renewal” campaign, strengthened alignment with advanced manufacturing clusters, and supported the high-end, intelligent, and green development of the manufacturing industry. At the end of June, the balance of loans invested in the manufacturing industry stood over RMB5.2 trillion, of which over RMB2.4 trillion were medium to long-term loans. In the commercial sector, the Bank explored ways to optimize financial services, strengthened cooperation with platforms and retail chains, and improved services supporting the shift from export to domestic sales, thereby facilitating the domestic economic circulation. The Bank also expanded its presence in emerging sectors to cultivate new quality productive forces. It adopted a coordinated approach to upgrading traditional industries, expanding emerging industries, and nurturing future industries. The Bank improved the “Five Special (specialized institutions, special actions, exclusive products, specialized risk control and exclusive support)” service system for technology finance and launched the “ICBC Sci-tech Innovation Partnership” marketing campaign series. The number of sci-tech financial centers grew to 25. Efforts were stepped up to serve Specialization, Refinement, Differentiation and Innovation (“SRDI”) enterprises and “Little Giants” firms, including the establishment of a Sci-tech Finance Innovation Fund of RMB80.0 billion, and make breakthroughs in the development of key products such as equity investment by asset investment companies (AIC) and R&D loans. At the end of June, the Bank’s balance of sci-tech loans stood at RMB6 trillion, including RMB4.2 trillion in loans to strategic emerging industries. The loan coverage rate for SRDI enterprises and “Little Giants” firms reached 44%.
- ✧ The Bank remained committed to consolidating its foundation and strengthening its customer base. It enhanced services across the entire market, advanced systematic, digital, professional, and ecosystem-based marketing approaches, and explored the development of comprehensive financial solutions. It provided financial services to high-quality customer groups, including central state-owned enterprises, local state-owned enterprises, listed companies, and multinational corporations, launched the “Solid Rock Campaign” targeting medium-sized customers, promoted digital customer operations, and worked to diversify

its customer structure. Upholding the mechanism of “allocating customers” and “attracting new customers”, the Bank optimized its corporate customer maintenance system, carried out pilot programs to align products with customer needs, and enhanced marketing services for core enterprises in industrial chains to further strengthen its ecosystem-oriented foundation. The Bank also reinforced internal and external coordination, as well as bank-corporate cooperation, hosted marketing campaigns for multinational corporations, and continued its “Global Tour, Global Win” cross-border marketing campaign series. At the end of June, the Bank served 14,119.3 thousand corporate customers, an increase of 770.7 thousand from the end of the previous year.



Inclusive Finance

The Bank remained committed to delivering timely support to meet urgent needs and serving people’s livelihood. It focused on better meeting the diverse financial needs of micro and small enterprises, self-employed businesses, agriculture-related business entities, areas lifted out of poverty, and individuals who have emerged from poverty. It continued to improve its inclusive finance service system that supports key sectors and weak links, and worked to make financial services for micro and small enterprises more targeted. It made every effort to build a benchmark bank for inclusive finance and to promote inclusive finance. At the end of June, the balance of inclusive small and micro enterprise loans amounted to RMB3,394,689 million, representing an increase of RMB501,374 million or 17.3% over the beginning of the year. Inclusive small and micro enterprise loan customers numbered 2,431 thousand, representing an increase of 347 thousand. The average interest rate of inclusive small and micro enterprise loans newly granted in the first half of the year was 3.01%.

- ✧ Regulatory policy requirements were implemented. To deeply advance the financing coordination mechanism for micro and small enterprises, the Bank actively launched the “Visiting Thousands of Enterprises” campaign, strengthening tiered outreach to industrial parks, communities, and villages to actively address the concerns of micro and small enterprises and promote the targeted delivery of funds. The Bank also reinforced policy transmission and alignment by formulating the Action Plan for Enhancing Support for Micro and Small Enterprises and Advancing Inclusive Finance, which identified pragmatic measures for its inclusive finance agenda.

- ✧ The development of digital inclusive finance was advanced, with continuous efforts to enhance product suitability. Focusing on customer groups such as SRDI enterprises, sci-tech micro and small enterprises, merchants, and farmers, the Bank introduced innovative digital products such as “Manufacturing e Loan” and “Asset e Loan”, and upgraded standardized offerings including “e-Quick Loan” and “e-Chain Quick Loan”. The Bank launched localized innovative product “Regional e Loan” to enhance market competitiveness and expand service coverage.
- ✧ The comprehensive service system integrating financing, consulting and commercial services was continuously improved. The Bank strengthened the brand of “ICBC Inclusive Journey” and refined the comprehensive service model “Credit+”. By staying closely engaged with the market, the Bank sought to fully meet customers’ diverse needs by providing account-related, settlement, financial advice, policy consultation and other services, while also strengthening public awareness of inclusive finance. Leveraging its extensive domestic and international service networks and strengths in financial technology, the Bank deepened its cross-border matchmaking services. The “ICBC Business Matchmaker” platform has attracted nearly 640 thousand users from 75 countries and regions, hosted nearly 300 cross-border matchmaking events, and facilitated approximately 65 thousand preliminary cooperation agreements.
- ✧ The risk management foundation has been enhanced. The Bank fully leveraged technology-enabled risk control capabilities to build a risk monitoring system for inclusive finance based on a “1 (customer) + N (products)” framework. A full-process data driven risk management model was refined, featuring intelligent early warning, dynamic management, and continuous operation. The Bank also enhanced cross-verification between online and offline channels, combining expert experience with model-based data to make its risk management more effective and forward-looking.

Please refer to the section headed “Corporate Governance, Environment and Society — Environmental and Social Responsibilities” for details on the Bank’s consolidating and building on achievements in poverty alleviation and services for rural revitalization.

Institutional Banking

- ✧ The Bank closely cooperated with the government, contributing to the modernization of national governance capabilities through financial practice. It effectively carried out direct payment and authorized payment services as an agent for the central government treasury, ranking first in the industry as an agent by both number and amount of centralized treasury payments. For seven consecutive years, the Bank received a “Double Excellence” rating for direct payment and authorized payment in the evaluation of centralized payment agents organized by the central government treasury under the MOF. The Bank supported rural revitalization through digital empowerment. It improved the service quality and efficiency of the “Digital Countryside Comprehensive Service Platform”, and promoted application scenarios such as digital supply and marketing, rural governance, property rights transactions, and management of rural collective capital, assets and resources. It also expanded and improved social security services at its outlets, with nearly 5,000 “social security-banking integrated outlets” established to date.

- ✧ The Bank built an ecosystem of interbank cooperation to jointly serve the real economy. It launched the “ICBC Securities Intelligent Connect” service solution, providing a centralized, modular service system for four customer groups: individual customers, corporate customers, securities firms, and infrastructure. The Bank extended financial service channels and networks by actively connecting small and medium-sized banks to the Cross-Border Interbank Payment System through its own channels and collectively advancing RMB internationalization. Leveraging its advantages in financial technology as a major bank, the Bank worked with various financial institution customers to deliver technological solutions, contributing to the development of digital finance within the banking industry. As one of the market’s first pilot institutions for bill brokerage, the Bank widely connected with various discounting banks to guide the precise matching of market discounting funds with small and micro enterprises.

Settlement and Cash Management

- ✧ The Bank launched the settlement account foundation-building initiative. By means of establishing channels, optimizing processes, expanding scenarios, tapping into potential and improving quality, the Bank strengthened comprehensive marketing for new customers, launched payroll business, and improved the value of existing customers, resulting in a sustained increase in the total number of corporate accounts.
- ✧ The Bank rolled out the “ICBC Treasury” leadership initiative. In line with the development plan for new financial infrastructure, the Bank enhanced product integration between “ICBC Treasury” and bill business, financial markets, supply chain finance, and investment banking, advanced the development of elite treasury teams, and continuously improved treasury service capabilities.
- ✧ The Bank advanced the “ICBC Global Pay” overseas outreach initiative. It continued to deepen and broaden cooperation with multinational enterprises under the “Going Global” and “Bringing in” strategies, expanded the network coverage of “ICBC Global Pay”, and realized direct overseas local payments in 28 countries and regions, with cross-border settlement within the Bank’s system covering 41 countries and regions.
- ✧ The Bank conducted the supply chain empowerment initiative. It developed and promoted a supply chain finance platform, expanded core enterprises, refined scenarios across “collection, payment, management, and financing”, strengthened the application of digital supply chain products, and accelerated the penetration into on-chain customer groups.
- ✧ At the end of June, the Bank maintained 16.02 million corporate & institution settlement accounts, up 960 thousand from the previous year-end. The Bank had nearly 2.30 million cash management customers, more than 13 thousand treasury service partners, more than 13 thousand global cash management customers, and more than 12 thousand “ICBC Global Pay” customers. The volume of corporate & institution settlement business¹ for the first half year reached RMB1,016 trillion.

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

Investment Banking

- ✧ The Bank focused on strategic emerging industries, sci-tech innovation, and green development, and actively supported the implementation of key national strategies through “M&A+” full-process services. In line with a raft of incremental policies, the Bank accelerated the promotion of share buybacks and shareholding increase loan services to help restore market confidence and support the high-quality development of listed companies. By the number of M&A deals facilitated, the Bank continued to rank first in Refinitiv’s ranking of “China Financial Advisers for Deals”.
- ✧ The Bank launched the service brand “ICBC Sci-Tech Finance – Equity Services”, aiming to meet the full-cycle equity service needs of technology enterprises with tailor-made products. The Bank continued to improve and promote its end-to-end advisory services for equity investment funds, and provided differentiated specialized and sophisticated solutions for venture capital firms, strengthening lifecycle financial services for technology enterprises and enhancing the level of comprehensive financial services.
- ✧ The Bank made all-out efforts to advance all-scenario services for corporate asset securitization and public REITs, assisting real economy enterprises in revitalizing existing assets and expanding effective investment. It further developed the restructuring advisory model, explored comprehensive financial services for distressed enterprises, and supported corporate debt risk mitigation and transformation.
- ✧ In the first half of the year, focusing on supporting the “Five Priorities”, the Bank carried out its bond underwriting business to improve the quality and efficiency of financial services for the real economy and provided targeted support for the development of key areas and sectors. It served as the lead underwriter for 1,519 bond issuance projects, with a total underwriting volume of RMB1,172,287 million. As part of its commitment to supporting the building of a manufacturing powerhouse by financial services, the Bank underwrote 88 manufacturing bonds, raising RMB127,250 million for issuers. To support the building of a scientific and technological powerhouse, the Bank led the underwriting of 68 sci-tech bills and non-financial bonds, raising RMB99,927 million. It also underwrote 155 ESG bonds, raising RMB647,542 million, and 8 rural revitalization, micro and small enterprise, and agriculture-related bonds, raising RMB104,434 million.

Bills

- ✧ The Bank upgraded its bill product offerings in line with the “Five Priorities”. A dedicated product line under the “ICBC Discount” brand was launched, together with an action guideline for serving key strategic customers. The Bank strengthened bill financing services for “Major Strategies, Key Fields and Weak Links”, and played an active role in key sectors such as manufacturing powerhouse, SRDI, and rural revitalization, contributing to steady economic growth and the cultivation of new quality productive forces.

- ✧ The Bank accelerated digital transformation of its bill business. Innovative supply chain bill business was introduced, including the market's first discounted supply chain bill with limited recourse accepted by a finance company. The online instant discounting service for supply chain bills significantly improved operational efficiency and broadened financing channels for such bills. The "Supply Chain Bill Pay 3.0" was promoted to help leading enterprises extend and strengthen their supply chains and provide convenient financing for downstream enterprises, thus facilitating the smooth circulation of industrial chains. In response to the needs of small and micro long-tail customers, a package of "pocket-size" mobile discounting solutions was made to make the operations on the mobile platform more convenient.
- ✧ In the first half of the year, the volume of bill discount reached RMB2.19 trillion, representing a year-on-year increase of 28.4%, maintaining the leading position in the market. A total of 30.7 thousand bill discounting customers were served.

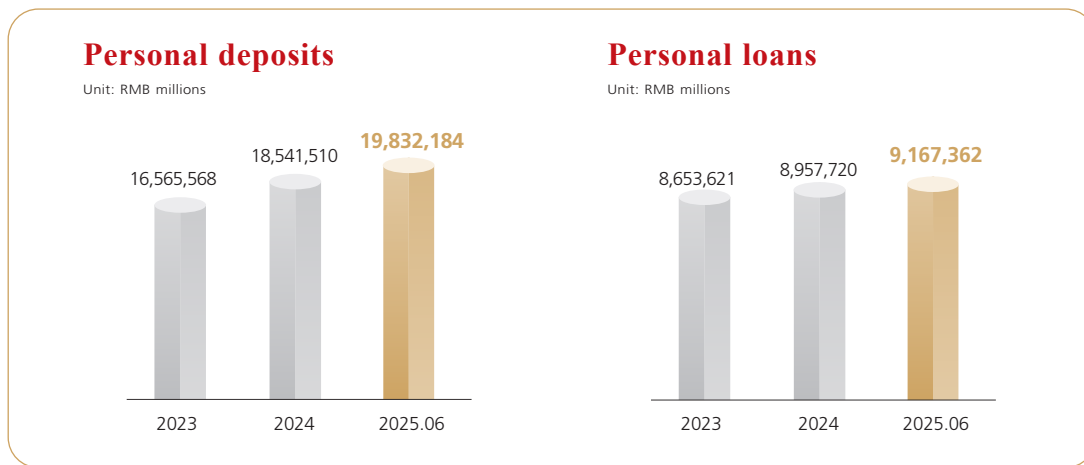
4.2.2 Personal Banking

In the first half of 2025, the Bank further advanced "five transformations", strengthened market orientation and value creation, and as a leading bank, propelled the personal financial services to unleash new vitality and forge a new vision.

- ✧ The Bank continued to enhance the market competitiveness of its core business with the focus on value creation. The Bank prioritized both scale and quality of savings deposit, strengthened GBC coordination, strengthened efforts to expand the new customer base of payroll clients, merchants and social security customers, and diversified sources of liability financing. With the continuous operations of products and services such as "Zhi Cun Bao" and "Holiday Digital Collectibles Lucky Draw", the Bank achieved positive year-on-year growth in savings deposit. The Bank adhered to the principle of volume-price synergy and accumulated funds by meeting customer needs for investment, payment, and repayment, and attracted low-cost available funds. The Bank consolidated its advantages in wealth management and focused on two-way value creation to provide excellent wealth management services. With a focus on deepening engagement with high-value customers and potential customers, the Bank launched "Chunbo Action", a targeted marketing insurance service. The Bank continuously carried out themed activities of intelligent wealth management, stepped up promotion efforts for innovative products and services such as automatic investment plans, new customer cycle-based products and "Zhi Xiang Huan" to meet customers' demand for diversified asset allocation. The Bank accelerated the development of payment settlement infrastructure, vigorously promoted new infrastructure development for payment services, and continued to roll out ICBC series consumption activities to unleash consumption potential. The Bank released the new debit card themed the Year of the Snake, and upgraded featured debit card star products such as Adorable Kids and AI Intelligent Pick.
- ✧ The Bank focused on ecosystem development and vigorously promoted operations for all customers and of full-spectrum products. With services to all customers, the Bank accelerated the establishment of a tiered and segmented service system for all personal customers, and continued to expand its personal customer base. With the introduction of "ICBC Salary Manager 2.0", the Bank kept improving the competitiveness of payroll products. Centering on key customer groups including young, elderly, payroll service, social security, merchant and county area customers, the Bank accelerated the acquisition

of customers through online, batch and cluster methods to enhance the effectiveness of service delivery. The product system was enriched. Based on policy guidance and market changes, the Bank increased supply of wealth products such as innovative public funds, pension finance products and public welfare wealth management, enriched the product offerings, precisely met customers' needs, and enhanced the market competitiveness of wealth products. The service experience was improved. The Bank integrated and upgraded personal customer value-added service system, and released "ICBC iBonus Point", a unified customer reward platform. The Bank adopted integrated marketing for the personal banking sector, held various customer appreciation events with a customer-centric approach, and built convenient, clear and delightful one-stop value-added service experience.

- ✧ The Bank focused on risk prevention and control to better balance the enhancement of customer experience with security. The Bank deepened telecom fraud risk prevention measures, implementing intelligent agent model system to achieve differentiated and precise control, enhanced the efficiency of online account restoration services while minimizing the impact of risk controls on customer experience. An active protection mechanism was established. The Bank developed and applied an early-warning protection model specifically designed for vulnerable customers, strengthened collaboration with public security authorities to conduct proactive interventions and ensure safety of customer fund.
- ✧ The Bank focused on intelligent and digital transformation and accelerated the development of digital operational capabilities. Leveraging "Intelligent Brain", the Bank enhanced its digital service capabilities for all customers, establishing a central hub for the coordination of marketing strategies. The Bank further strengthened the Intelligent Asset Allocation Service by introducing the asset planning service in the mobile banking app and deploying large language model application scenarios, such as allocation recommendation interpretation, thereby advancing the service to higher levels of professionalism and intelligence. Empowerment of new technologies was enhanced. The Bank connected to large AI models, launched AI wealth assistant to establish a marketing pattern featuring Human-AI collaboration, and explored intelligent data analysis tools to empower business development.
- ✧ At the end of June, the number of personal customers reached 770 million. The balance of personal financial assets under management ("AUM") exceeded RMB24 trillion, maintaining the leading position in the industry. The Bank was rewarded the "Best Digital Account Opening and Onboarding Service in Asia Pacific", the "Best Digital Wealth Management Initiative in Asia Pacific", the "Best Anti-Fraud Consumer Initiative in China", the "Best Digital Savings Solutions in China" by *The Asian Banker*, and won the "Best Ageing Finance", the "Wealth Intermediary Income Excellence Award", the "County-Level Financial Services Initiative of the Year" and the "Value-Added Service Innovation Award" from *Retail Banking*.



Personal Credit Business

- ✧ The “Housing Ecosystem+” financing product system was improved on a continuous basis. The Bank optimized Auction Property Mortgage Loans, Parking Space Loans, and Personal Rental Housing Loans to meet customers’ diverse funding needs. The Bank acquired secondary mortgage customers from the source through system integration with leading property agencies and platform-enabled support for small and medium-sized intermediaries.
- ✧ Targeting small and micro enterprise owners, self-employed businesses and other individual business owners, the Bank innovatively rolled out “Business Support Loan Package”, and addressed customers’ business operation and consumption financing needs, with commitment to building flagship products for commercial banking services.
- ✧ The Bank enhanced the promotion and practice of green finance concepts, and proactively increased the supply of green loan products. In the real estate financial services sector, the Bank vigorously supported green building projects by providing efficient and convenient mortgage services for residential projects developed by high-quality real estate enterprises that meet green building standards. In the new energy vehicle financial services sector, the Bank innovatively established a new cooperation model featuring “direct connection with automakers + scenario integration”, and supported the completion of the entire loan process online, delivering a superior customer service experience.

Wealth Management Business

The Bank adhered to a people-centered value orientation, and actively fulfilled the responsibilities of a major financial institution, to meet the people’s aspirations for a better life through high-quality wealth management services. For details on the development of the Bank’s wealth management business, please refer to the section headed “Hot Topics in the Capital Market – Making New Breakthroughs in Wealth Management Focused on Customer Needs”.

- ✧ In terms of private banking, by consolidating the Group’s advantages of resources, the Bank strengthened the quality and efficiency of entrepreneurial services. The number of established “Entrepreneurs Service Centers” exceeded 3,300, serving more than 150 thousand entrepreneur customers. As a strong advocate for the development of China

into a technology powerhouse, the Bank established an integrated service ecosystem around the needs of scientists, and accelerated the large-scale rollout of scientist-focused services to facilitate “science – industry – finance” convergence. The Bank proactively responded to the rural revitalization strategy. By launching “Kang Zhuang” wealth management products for county customers cooperation with ICBC Wealth Management, the Bank provided diversified investment options for county-level customers. With the “Green Mountain” brand, the Bank developed a green product system, focused on the allocation of green bonds, carbon-neutral bonds, and other ESG assets, and guided social capital toward green industries. The Bank launched family wealth management service brand, promoted the implementation of the “Junzi Harmonious Family” pension service, integrating business succession planning with elderly care solutions. The Bank advanced common prosperity. Through the release of the Report on Philanthropy Research on High-Net-Worth Individuals in China (2024), the Bank further improved the “Partner Charity Service” ecosystem.

- ✧ The Bank was awarded the “Green and Sustainable Private Bank of the Year in China” by *The Asian Banker*, the “Best Private Bank in China for Digital Portfolio Management”, “Best Private Bank in China for Digital Marketing & Communication” by *PWM*, and won the “China’s Best Private Bank for International Network 2025” from *Euromoney* and the “FinTech Award” from *Retail Banking*.

Bank Card Business

- ✧ The Bank contributed to boosting domestic demand and consumer spending. The Bank deepened “ICBC I Go” special campaign, covering popular consumption scenarios such as travel, culture and tourism, and cross-border activities, launched credit card spending promotional activities such as “I GO New Year”, “I GO May Day”, and “I GO 618”, and rolled out special promotional activities to support the “trade-in” policy actively. The Bank launched merchant-side promotional campaign themed “Merchant Benefits Program: Covering 100 Cities and 10,000 Stores” and conducted a series of consumer benefit activities covering both online and offline scenarios, spanning over 27 thousand stores in over 200 cities.
- ✧ The service capability of ICBC e-Life platform was enhanced. Based on eight ecosystems composed of “takeout, catering, tourism, shopping, supermarket, theme park, digital movie, and car owner life”, the Bank further expanded scenario-based services, introduced “Precious Metal Section” and “State Subsidy Program Section”, and integrated overseas benefits and enhanced cross-border services. In addition, the Bank refined the model of ICBC e-Life station and provided one-stop services to payroll clients and other customer groups.
- ✧ At the end of June, the Bank had issued 1,296 million bank cards, an increase of 13.03 million cards. These included 1,148 million debit cards and 148 million credit cards. The balance of credit card overdrafts was RMB797,016 million. In the first half of 2025, ICBC debit cards registered a consumption transaction volume of RMB9.06 trillion, and credit cards registered a consumption transaction volume of RMB0.98 trillion.

4.2.3 Asset Management Services

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

In terms of wealth management, building on its distinctive license advantages, the Bank expanded the offering of themed products focused on sci-tech innovation, green development, and pension and guided more medium- and long-term capital toward areas of major national strategies such as sci-tech innovation, low-carbon transition, and the silver economy. It improved an ecosystem-oriented service system and diversified the product portfolios to ensure long-term stable investment performance. In terms of mutual funds, focused on national strategies and industrial upgrading, the Bank intensified the deployment of technology-themed funds to actively support the development of new quality productive forces. The Bank earnestly implemented public fund reform requirements, strengthened alignment of interests with investors, and was among the first in the industry to launch floating management fee funds. It actively contributed to the development of the national pension system and pension preservation and appreciation, delivering consistently strong and leading investment performance. Adhering to long-term and value investing principles, the Bank's investment performance in equity and bond funds remained at the forefront of the industry. In terms of insurance, the Bank vigorously expanded the issuance of insurance asset management products, continuously strengthened its diversified investment and project development capabilities, and enhanced the quality and efficiency of responses to customer demands, achieving sustained growth in the scale of third-party insurance asset management business and the number of products and customers.

Wealth Management Services

- ✧ At the end of June, the balance of wealth management products reached RMB1,937,465 million, of which RMB1,851,583 million was the balance of wealth management products of ICBC Wealth Management. Please refer to the section headed "Business Overview — Comprehensive Operation" for details on the business development of ICBC Wealth Management.

Asset Custody Services

- ✧ The Bank leveraged the role of custody services as financial market infrastructure and strengthened the global custody network. At the end of June, the insurance assets under custody totaled RMB8.82 trillion, the mutual funds under custody amounted to RMB4.80 trillion, the pension funds under custody reached RMB3.50 trillion, and the operational outsourcing scale of asset management products recorded RMB3.34 trillion, all leading the industry.

- ✧ The Bank strengthened the integration and mutual promotion of custody services and financial technology, continuously advancing the digitalization of custody business operations and the transformation toward comprehensive services. It integrated AI technology in the management of custody services, improved the intelligent custody marketing platform and operation systems, and promoted the “ICBC Custody Juxiang Matching Platform”, thereby continuously enhancing the quality and efficiency of custody services.
- ✧ The brand value of “ICBC Custody” continued to rise. ICBC was awarded the “Best Mega Custodian Bank in China” by *The Asian Bank*, the “Best Custodian Bank, Onshore, China” and the “Best Custodian Bank-Insurance, China” by *The Asset*. At the end of June, the Group’s assets under custody reached RMB29.89 trillion, including assets under custody of domestic institutions (excluding the fund supervision business) of RMB27.84 trillion.

Pension Services

- ✧ The Bank effectively advanced pension fund finance to fulfill its role as a main force in the national pension system. It improved the basic pension insurance service system and optimized the “ICBC e Social Security” online platform to provide comprehensive social security card services. Leveraging its advantage of full licenses in annuity trust services, account management, custody, and investment management, the Bank focused on enhancing annuity plan management and investment returns to ensure the stable operation of annuities and support individuals in accumulating retirement wealth. The Bank also supported the nationwide rollout of the private pension scheme by building a full-spectrum product portfolio, establishing convenient online and offline service channels, and launching the innovative “ICBC Easy Investment” private pension investment service.
- ✧ The Bank effectively advanced financial services for pension services to better meet the elderly care needs of the people. It launched the “ICBC + Elderly Care Services” 2025 Action Plan, addressing key pain points in elderly care through the implementation of the “Six Ones”¹ Initiative. The Bank further polished its “ICBC Aixiangban” service brand aiming at elderly customer groups to effectively promote senior-friendly payment services, and organized a series of senior-friendly themed activities. It rolled out the project of developing tens of thousands of featured outlets with pension finance services, and built a pension finance community platform to promote the “Happy Life Version” of mobile banking and improve the accessibility for elderly users. The Bank also launched the “Ruyi Life Retirement Plan”, which integrates wealth management for elderly care with services such as health consultations, medical escort, and home-based care. In addition, the Bank actively promoted financial literacy among seniors and safeguarded their consumer rights and interests.

¹ “Six Ones” refers to one government service program, one grassroots service front, one set of senior-friendly service systems, one batch of senior-friendly financial products, one elderly care service platform and one series of industrial service solutions.

- ✧ The Bank effectively advanced financial services for the elderly care industry to support the development of the silver economy. By optimizing credit policies, providing comprehensive services, and strengthening technological empowerment, it facilitated the large-scale, standardized, clustered, and brand-oriented development of the silver economy. The Bank established an elderly care industry financial support model backed by inclusive elderly care, a senior-friendly industrial chain, and “Elderly Care+” industries, focusing on addressing the key challenges of financing difficulty and high financing costs faced by elderly care enterprises. It also promoted the “Silver Generation Industry Cloud” platform to help small and medium-sized elderly care institutions enhance their digital capabilities.

4.2.4 Financial Market Business

Money Market Activities

- ✧ In terms of RMB, the Bank actively contributed to the transmission of monetary policy by participating in various monetary policy instrument operations and supporting the maintenance of reasonable and ample liquidity in the interbank money market as well as the stable operation of money market interest rates. The Bank continuously enhanced its research on monetary policy and assessment of money market trends, formulated science-based financing strategies, and optimized financing maturities, instruments, counterparties, and collateral structure to improve the efficiency of fund operations. The Bank promoted the deep application of AI in intelligent trading, full-process risk control, etc. It remained committed to proactive risk prevention and strictly implemented various risk control measures to ensure the fund safety.
- ✧ In terms of foreign currencies, the Bank closely monitored the monetary policy trends of major central banks around the world and changes in market liquidity, continued to strengthen its foreign currency liquidity reserves, and carried out various foreign exchange money market operations with agility under the premise of safeguarding liquidity security. The Bank continued to fulfill its role as a foreign currency lending quoting bank in the China Foreign Exchange Trade System.

Investment

- ✧ In terms of RMB bonds, the Bank persisted in serving the real economy, and gave play to its role of the “main channel” for macro policy transmission and the “main force” in financial services as a large state-owned bank. It constantly consolidated and expanded its leading position in investments in Chinese government bonds and local government bonds, providing strong financial support for the development in areas such as “Major Strategies and Key Fields” and “Renewal and Trade-in”. The Bank gave full play to its role in addressing weaknesses, improving people’s livelihoods, promoting consumption, and expanding domestic demand. The Bank continued to enhance the effectiveness and efficiency of corporate bond investment for the real economy and increase the investment in credit bonds so as to support the growth of high-quality enterprises focusing on the real economy. In terms of foreign currency bonds, the Bank strengthened its analysis of interest rate trends and credit spreads, steadily engaged in foreign currency bond investment, and

adjusted the structure of investment portfolios in line with market dynamics. It steadily advanced “Southbound Connect” bond investment and added momentum to the offshore RMB bond market activity.

Treasury Trading Business

- ✧ In terms of foreign exchange settlement and sales, as well as foreign exchange trading, the Bank stepped up the promotion of the foreign exchange risk-neutral concept, and actively provided exchange rate risk hedging services for foreign trade enterprises, expanding the supply of precisely targeted products and services. It enriched the range of trading currencies, and handled the first domestic foreign exchange settlement and sales transaction in Zambian kwacha, facilitating enterprises’ expansion into African markets. The Bank improved the comprehensiveness of online foreign exchange products and the efficiency of trading functions, and enhanced the overall customer trading experience.
- ✧ In terms of over-the-counter (“OTC”) bond business, the Bank provided OTC market investors with investment and trading services for book-entry central government bonds, local government bonds, and bonds issued by China Development Bank, Agricultural Development Bank of China, and the Export-Import Bank of China, contributing to the development of a multi-layered bond market.
- ✧ In terms of foreign institutional investors trading business in China’s interbank market, the Bank actively served foreign institutional investors from over 60 countries and regions worldwide, meeting their investment and trading demand to participate more deeply in China’s interbank market.

Asset Securitization Business

- ✧ In the first half of the year, the Bank issued seven asset-backed securities, all of which were NPL securitization programs, with a total amount of RMB5,082 million.

Precious Metal Business

- ✧ The Bank provided high-quality precious metal products and services. In response to strong market demand, it actively promoted investor education and increased the supply of various gold products to meet customers’ needs for gold asset allocation. A total of 133 new gold repurchase outlets were established, effectively expanding the coverage and volume of physical gold repurchase services. The Gold Accumulation Products was launched on JD Finance and Alipay, further expanding customer service channels.
- ✧ The Bank contributed to the development of international financial centers in Shanghai and Hong Kong SAR. It supported the pilot investment of insurance funds in the Shanghai Gold Exchange market and enhanced the role of the Shanghai Gold Exchange International Board as Asia’s offshore physical gold hub, facilitating the listing of gold contracts deliverable in Hong Kong SAR on the Shanghai Gold Exchange International Board. The Bank also expanded the application scenarios of precious metals, strengthened support for the manufacturing sector, and optimized the maturity structure, with total assets of precious metals leasing business continuing to grow.

- ✧ In the first half of the year, the Bank retained the awards such as the “Excellent Financial Member of the Year – First Prize” and “Best Anti-Money Laundering Member of the Year” granted by the Shanghai Gold Exchange.

4.2.5 FinTech

Adhering to the principles of “security, efficiency, and leadership”, the Bank advanced the building of a technology-empowered bank and D-ICBC in a prudent and orderly manner. It continuously reinforced the foundation for safe operations, enhanced intelligent risk control capabilities, optimized the ECOS technology ecosystem, and improved the D-ICBC ecosystem. The Bank launched the “AI+” Action Plan to generate stronger momentum and energy for serving the “Five Priorities”. It was awarded the “Best Large Language Model Initiative in Asia Pacific” by *The Asian Banker* and named “Digital Bank of the Year in China” by *The Asset*.

Strengthening the Integrated IT and Cyber Security Management across the Group

To adapt to the complex and changing international situation and technology development trends, the Bank took proactive and forward-looking actions, actively responded to challenges in financial cyber security and risks associated with the application of new technologies, upheld the bottom line of safe production, deepened intelligent operation and maintenance, strengthened the cyber security protection architecture, enhanced data security management capabilities, and unleashed the development momentum of digital economy.

- ✧ The foundation of production and operation was reinforced. The monitoring and handling of operational status was strengthened across the entire business operation and maintenance chain. The availability of information systems remained above 99.99%, supporting high-quality development of the Bank’s business. Disaster prevention and response efforts were strengthened to ensure uninterrupted operation of information systems during flood season and earthquakes. The Bank successfully completed system support for various key periods.
- ✧ Cyber security hardening framework was deployed across the Group. The Bank strengthened the integrated management of IT and cyber security risks. Overseas cyber security service support was strengthened, improving the efficiency of front-line information security operation management across the Group. The Bank continued to optimize the management of IT assets, production operations and management, and cyber security posture at the Group level, enhancing its ability to perform penetrative management that is “visible, differentiated, and controllable”. The Group’s integrated Defense-in-Depth system was upgraded continuously, and practical operational capabilities of the cyber security team were further improved. The Bank reinforced the security assessment access authorization of externally introduced applications, and promoted centralized management of applications, data, and external private network in data centers, making primary-level IT operation and maintenance more intensive and secure.
- ✧ Business continuity assurance was consolidated. The Bank continued to improve high-availability disaster recovery (“DR”) capabilities, realized lightweight traffic switching for dual-active core and critical systems in the same city within the country, and strengthened drill practices and business continuity supporting capabilities.

- ✧ Data security management was strengthened. The Bank continued to promote data security classification and tiering in accordance with relevant standards, bolstered the security of the Group's data assets, and advanced the construction of the data security technology management system and the data security operation, maintenance and monitoring platform. Data security assessments and risk monitoring were carried out on a regular basis to enhance emergency response capabilities of the Group's data security. Risk exposure points were identified and mitigated, and source control measures were implemented to lower the risk of sensitive data leakage. The Bank improved the management of personal customer information security and consistently organized training and publicity campaigns to raise awareness of data protection across the Bank.

Unleashing the Driving Force of Sci-Tech Innovation

The Bank stimulated vitality in sci-tech innovation, upgraded the digital technology ecosystem, actively explored the research and application of forward-looking technologies, and accelerated the application of research results in business development. In the first half of the year, the Bank ranked first in the industry by both patent publications and cumulative patent grants.

- ✧ A secure and stable technology architecture was built. The Bank strengthened top-level design of architecture transformation, built the ECOS 2.0 digital technology ecosystem, promoted iterative evolution of technology roadmap, and continued to maintain the advanced nature of its technology architecture across the Bank. The underlying technology architecture was upgraded. The autonomy and controllability of domestic core systems were further strengthened, and the service capacity of overseas core business systems was continuously enhanced to ensure smooth launch of critical services.
- ✧ The innovative application of new technologies was deepened. Under the “AI+” Action Plan, the Bank added new application scenarios of AI in key business areas such as personal banking, financial markets, and corporate credit, launching over 100 scenarios including AI wealth assistant and intelligent investment research assistant. The Bank attached high importance to the security capabilities of large models, becoming the first in the industry to pass the “Trusted Intelligence and Security – Large Model Data Security Capability Assessment” conducted by the China Academy of Information and Communications Technology. The Bank stepped up key technology research, promoted integrated innovation application across industry, academia, and research, and achieved phased results in areas such as embodied intelligence technology and quantum computing.
- ✧ The technological infrastructure construction was iterated. The Bank increased the application of emerging technologies such as lightweight traffic control to comprehensively enhance distributed batch processing capabilities. It advanced the Group's integrated and cloud-based infrastructure deployment, and strengthened technical capabilities of the enterprise-level data middle office and big data platforms. The Bank promoted the development of digital infrastructure by steadily advancing the construction of the Xi'an Data Center, thereby accelerating the building of its multi-site and multi-center architecture.

Boosting the Momentum for Digital Development of the Bank

The Bank fully implemented the national strategic plans, promoted the application of digital innovation achievements, made all-out efforts to advance new quality productive forces, and sped up the development of D-ICBC to serve the real economy and digital finance.

- ✧ The “3+3” platforms were iteratively refined. External service platforms were enhanced. Through the open banking platform, the “Digital Partner Nationwide Tour” campaign was launched, to reinforce empowerment to key scenarios such as inclusive finance, pension finance, education, online freight and Golden Tax Phase IV System. The mobile banking app completed the upgrade of AI Manager, integrated personal customer benefits, and established an “ICBC iBonus Point” and “iBonus Point Mall” benefits center. “ICBC e-Life” continued to expand high-quality scenarios and strengthen its operation capability, introducing the state subsidy and overseas services sections. Internal service platforms were further improved. “ICBC Counter Express” innovatively introduced a new model of counter-mobile phone synergy. The corporate “Marketing Express” piloted an intelligent marketing agent, while the personal “Marketing Express” launched batch outreach marketing scenarios. “ICBC e Office” incorporated all internal application systems into one platform.
- ✧ All-out efforts were made to deliver key breakthroughs, with new quality productive forces further enhanced. In terms of product and service systems, the Bank innovatively introduced the inclusive product “Asset e Loan”, and advanced the development of a cloud-based platform for the silver economy and pension finance. In terms of financial infrastructure, the Bank actively participated in the Multilateral Central Bank Digital Currency Bridge (“m-CBDC Bridge”) project, expanded the cross-border settlement regions for global payments, and successfully implemented the market’s first “China-Brazil ETF Connect” custody project. In terms of business support systems, the Bank enhanced the Group’s refined asset-liability management capabilities, promoted the net interest margin budget management system for assets and liabilities, and consolidated the data foundation for domestic and overseas asset-liability management. In terms of the risk management system, the Bank iterated and optimized functions of the enterprise-level intelligent risk control platform (“4E platform”), strengthened cross-market and cross-risk transmission monitoring and warning, and promoted the platform application throughout domestic branches.

Improving the FinTech Governance System

The Bank implemented the state’s decisions and plans regarding sci-tech system reform and sci-tech talent development, strengthened the governance of technological foundation, improved the mechanism for sci-tech innovation, and cultivated forward-looking FinTech talent with practical skills through multiple channels, thereby activating and unleashing the vitality of sci-tech innovation.

- ✧ The technology governance framework was improved. The Bank continuously advanced reform of the sci-tech system and mechanisms, improved tiered review mechanisms composed of the Digital Finance Committee and other committees, strengthened the source control of technology risks, and enhanced the level and quality of scientific decision-making on major matters.
- ✧ The governance of technological foundation was deepened. The Bank enhanced the overall management of technological resources across the Group and improved the unified management system covering hardware, software, data center facilities, internet assets and data, thereby strengthening its capability for penetrative management. Technological risk management was reinforced by refining technology risk profiles for each institution and improving the supporting mechanism for overseas institutions. The Bank advanced the development and promotion of the intelligent R&D system, enhanced FinTech ethics governance, and promoted the coordination between innovation and risk prevention.
- ✧ Talent development was strengthened. Through the IT Business Partner (ITBP) mechanism, core technology personnel were selected for business lines and exchanges with branches, and fostering cross-disciplinary professionals with both technical and business expertise. Across the Group, the number of data analysts exceeded 12 thousand. A tiered training and utilization mechanism was established for data professionals, aiming to enhance their skills, deepen the integration of data and business, and boost value empowerment. A core digital finance talent pool was established, dedicated to ensuring both quality and quantity in digital talent cultivation and appointment. Cybersecurity officers were appointed across all overseas institutions and domestic integrated subsidiaries, and professional capability assessments were conducted for specialized positions. Education and training were deepened in key areas of FinTech, and the “open competition mechanism” was normalized to continuously unleash the vitality of sci-tech innovation.

4.2.6 Internet Finance

The Bank deepened the development of digital financial services and business systems, and continued to enhance the competitiveness of mobile banking, open banking, and cloud banking, translating digital operations into tangible value and advancing comprehensive risk management of internet finance. In the first half of the year, digital business accounted for 99% of the total.

- ✧ Mobile banking services were further upgraded for an intelligent, refined and streamlined experience, creating a Bank that is “By Your Side and As Your Trust” in the digital age. For “intelligent” business experience, the Bank launched new human-machine interaction services and targeted product recommendation models, and created new application scenarios such as asset diagnosis powered by AI. For “refined” product services, the Bank innovatively introduced the live-window appointment service for branches, promoting the seamless integration of mobile banking with outlets, launched the private pension product “ICBC Easy Investment” to improve its capabilities of providing senior-friendly services online, and upgraded the mobile banking benefits center with “ICBC iBonus Point”, “iBonus Point Mall” and new campaigns such as “iBonus Point Park”. For “streamlined” business process, the Bank further expanded login-free transaction options

to enhanced user experience. The ICBC mobile banking app maintained leading customer ratings on Apple and Huawei app stores. At the end of June, the Bank had over 600 million individual mobile banking customers, with more than 265 million monthly active customers, both ranking first in the industry.

- ✧ The Bank advanced financial services innovation in open banking scenarios. Leveraging the integrated model of “platform + products + scenarios” and the new market expansion model of “ecosystem chains, industrial clusters and major platforms”, the Bank built benchmark GBC collaborative digital finance ecosystems. It carried out the themed marketing campaign of GBC+ “Digital Partner Long March” and expanded business development in key areas such as the Golden Tax Project Phase IV, industrial internet, online freight and digital agriculture. Relying on the development of innovative digital ecosystem on its digital financial services platform for corporate customers, the Bank further strengthened the market competitiveness of the corporate digital financial service platform, served as an “incubator” for emerging and future industries, and became a strong partner for SMEs in their digital transformation. It accelerated the transformation of corporate mobile banking into a comprehensive service platform that acts as both a financial expert and business manager. At the end of June, the Bank had 17.87 million corporate internet banking and corporate mobile banking customers, with 7.59 million monthly active customers, ranking first in the industry in both customer base and activity.
- ✧ The Bank continued to advance the intelligent upgrade of cloud banking. It upgraded the intelligent service systems with “Gino (Gong Xiao Zhi)” for customer services and “Gina (Gong Xiao Hui)” for in-house services, and launched a new-generation cloud banking intelligent service platform. The Bank promoted the integrated application of emerging technologies such as AI large models in intelligent customer service and staff assistance, and facilitated the rapid development of remote audio and video services. The Bank remained a leader in the industry in terms of intelligent routing rate and intelligent service outbound calling volume, and continuously improved intelligent service capabilities. It also enhanced the development of intelligent outbound calling scenarios and strengthened customer experience analysis and research.
- ✧ The Bank systematically advanced the development of a digital operation system. Based on the principle of aligning products with customer groups, it divided the entire customer base into sub-groups and formulated differentiated operation strategies. The enterprise-level digital operation platform “Zhike” was upgraded. Leveraging new technologies such as AI and large language models, the Bank provided intelligent internet financial services for long-tail customers, continuously enriching financial service touchpoints for such customers and expanding access to financial services for a broader customer base. The Bank iteratively optimized its digital operation strategies for all customers, enhanced customer acquisition, activation, asset growth, and operational efficiency by relying on the “ICBC iBonus Point” benefit system and integrated marketing campaigns so as to accelerate the cultivation and development of new quality productive forces for digital operations. Based on mobile banking, the ICBC “Xingnongtong” App, open banking, and corporate internet banking, the Bank further improved the online service system of ICBC “Xingnongtong”, serving over 194 million county and rural customers online.

- ✧ The Bank further deepened enterprise risk management of internet financial business. Leveraging digital technologies, it enhanced the intelligent risk control capabilities of online platforms, strengthened penetrative monitoring and interception of risky online transactions, and reinforced the application of advanced technologies such as device fingerprinting and remote audio-video authentication in risk control. The Bank also optimized the dynamic management of payment limits in E-banking, effectively safeguarding customer fund security. It continued to strengthen the management of mobile internet applications for customer-facing financial services and the content security of online platforms, and enhanced off-site monitoring of risks in internet financial business.
- ✧ The Bank actively and prudently advanced the research, development and application of e-CNY. It expanded application scenarios such as local government prepaid fund supervision, corporate payments, and fiscal taxation, deepened key projects including intelligent custody of large-scale platforms and supply chain funds, and accelerated the construction of an intelligent contract product and service system. The Bank took the lead in achieving normalized operation of cross-border e-CNY trade settlement between China and Singapore, continuously expanded the transaction scale of the Multilateral Central Bank Digital Currency Bridge (“m-CBDC Bridge”), and completed the first transaction on the e-CNY blockchain service platform. These efforts helped promote the internationalization of e-CNY and supported innovation in digital finance. The Bank’s commemorative edition e-CNY hardware wallet for the 7th China International Import Expo was awarded the “2025 Élan Award – People’s Choice Winner” by the International Card Manufacturers Association (ICMA).

4.2.7 Outlet Building and Service Improvement

- ✧ The Bank continued to optimize the distribution and structure of its offline channels. It systematically optimized and adjusted outlet distribution, with a focus on expanding the coverage of financial services and improving their accessibility and efficiency. In the first half of the year, 153 outlets were optimized and adjusted, including 13 new outlets established in key urban areas where service supply was relatively inadequate, 15 optimized outlets in county-level areas, and one outlet in previously unserved county. The coverage rate of county-level outlets reached 87.4%. Outlet resources have been increasingly aligned with regional socio-economic development. At the end of June, the Bank had 15,333 outlets, 19,456 self-service banks, 75,178 intelligent devices and 48,191 automated teller machines (“ATMs”). The ATM transaction volume in the first half of the year amounted to RMB2,061.9 billion.
- ✧ The Bank advanced the transformation of outlet services to better serve people’s livelihoods. It released a specialized outlet ecosystem framework for pension finance and actively enhanced outlets’ capabilities in providing pension finance-related and senior-friendly services. In total, over 700 flagship and model outlets for pension finance were established. The Bank further enriched the public welfare services of the “ICBC Sharing Station+” by organizing services at 15 thousand ICBC Sharing Stations targeting key groups such as the elderly and children, new urban residents, and workers in new forms of employment. Through a series of themed campaigns including “Cherish the Time”, the ICBC Sharing Station Volunteer Service Month, and “Live a New Life with

ICBC Sharing Station”, the Bank served the general public nearly 10 million times, offering services related to financial consumer protection, anti-fraud education campaign, and support during senior high school and college entrance exams. The Bank continued to improve its cash payment services by carrying out the “Change Purse” program on a regular basis, offering convenient in-store exchange services, targeted delivery, grid-based outreach, and special promotional campaigns.

- ✧ The Bank facilitated the reform of outlet operations in depth. It continued to improve the functions of its next-generation outlet service platform, “ICBC Counter Express”, and upgraded counter service capabilities. New models of remote online services were promoted, enabling remote processing of complex and specialized services such as corporate account opening and individual foreign exchange transactions, thereby empowering outlet operations and service enhancement. Regarding pain points such as account unlocking and wealth inheritance, the Bank developed new service scenarios based on customer needs, streamlined operations, optimized processes, and shortened processing time. Outlet appointment services were promoted bankwide, with improved customer identification and guidance to enhance service quality. The Bank also deepened the development of the “ICBC Account Link” brand. Focusing on institutional customers and medium, small and micro enterprises, the Bank launched digital account-based financial services that are in line with market development and the life cycle needs of customers.
- ✧ The Bank drove omni-channel integration. Centering on customer needs, the Bank advanced the construction of online-offline and internal-external channel networks. It improved an omni-channel service matrix that balances proprietary and open channels and integrates online and offline services. Service collaboration was strengthened among online platforms, physical outlets, remote customer service, digital employees, and customer managers to enhance the customer experience featuring “one-point access, all-channel response and digital synergy”. By integrating channels and systems, the Bank enhanced its capabilities to deliver targeted services, consolidated operational capabilities, and coordinated service strategies. It optimized billion-level customer contact channels such as mobile banking, cloud banking, and official WeChat accounts. The Bank accelerated the integration of mobile banking with physical outlets, integrating online-offline services to drive the digital transformation of outlets and improve the customer experience. It continuously improved the cloud banking’s capabilities for instant customer complaint handling and centralized service ticket processing, with growing capacity for one-stop resolution of customer demands online. The manual call answer rate remained among the highest in the industry. Relying on the Dual-voice Customer Experience Management System and customer satisfaction surveys, the Bank strengthened experience monitoring and continuously iterated and optimized products and services in response to customers’ feedback and demand.

4.2.8 Human Resources Management, Employees and Institutions

Human Resources Management

- ✧ With the focus on high-quality development of operations, centering on key areas of business development and competition, the Bank allocated human resources in a coordinated manner and improved operating capability by enhancing the quality and efficiency of human resources. With a focus on the “Five Priorities” of technology finance, green finance, inclusive finance, pension finance and digital finance, the Bank enhanced the teams building of marketing, credit, technology, data and emerging business, continuously improved the talent cultivation, motivation, and utilization mechanisms, strengthened performance capability, and strove to build a strong financial talent team that meets the requirements of building China into a country with strong financial sector. The Bank promoted in-depth integration of technology, data, and business talents, enhancing the level of sci-tech data empowerment for business development.
- ✧ The Bank continuously optimized the remuneration resource allocation mechanism with value creation as the core, resolutely maintained a fair allocation concept of incentive commensurate with restraints, transmitted the Group’s strategic objectives for business management, and allocated more remuneration resources to the frontline employees, for the purpose of mobilizing and inspiring the business vitality of institutions at all tiers.
- ✧ The Bank actively cultivated and practiced the financial culture with Chinese characteristics, strengthened cultural dissemination, and developed courses on financial culture with Chinese characteristics to promote the deep-rooted and effective implementation of such culture. The Bank organized themed activities centered on financial culture with Chinese characteristics, such as “Telling Stories of Integrity and Upholding the Spirit of Contracts” and “Balancing Righteousness and Profit, Being Pioneers of the Era”, guiding cadres and employees to firmly establish correct business ethics, performance views, and risk awareness. To reinforce probity culture construction in the new era, the Bank developed courses of probity culture tailored respectively for management personnel and new employees, ensuring targeted and layered probity education.
- ✧ Focusing on implementing the “Cadre Education and Training Plan” in the new era, ICBC launched a series of key training programs, to effectively facilitate training of various levels and types, and continuously enhance the comprehensive quality and performance capability of cadres and employees. Aligning with the core mission of the “five transformations”, the Bank built a specialized training system, and implemented tiered, systematic, and practical programs. Emphasis was placed on deepening training for the core talent pool for the “Five Priorities” of technology finance, green finance, inclusive finance, pension finance and digital finance, to effectively support the transformation development of the Bank. A series of training programs was conducted for the “key few” of institutions at all levels, enhancing the dual-responsibility capabilities of leadership team members. The Bank strengthened integrity and self-discipline awareness among key positions and key area personnel, forging a clean and honest cadre team. Centered on the entire talent development lifecycle, the Bank constructed a comprehensive and systematic

training system, implementing Global Leadership Development Program, “ICBC Star Program” for new employees and Outlet Heads Training Program, advancing the “Sword Sharpening Program”, “Elite Program”, and local employee market research training for overseas institutions, all of which were designed to foster the growth and professional development of cadres and employees. The Bank refined examination and certification mechanism and resource platform functions of education and training. By advancing digital transformation of training and improving its institutional framework, the Bank continuously elevated the standardization and effectiveness of education and training.

Basic Information on Employees and Institutions

- ✧ As at the end of June, the Bank had a total of 408,437 employees, including 10,554 employees in major domestic subsidiaries, and 15,537 in overseas institutions.
- ✧ As at the end of June, the Bank had a total of 16,354 institutions, representing a decrease of 29 as compared with the end of the previous year. Among them, there were 15,941 domestic institutions and 413 overseas ones. Domestic institutions included the Head Office, 36 tier-one branches and branches directly managed by the Head Office, 461 branches in capital cities and tier-two branches, 15,080 outlets, 21 institutions directly managed by the Head Office and their branches, and 342 subsidiaries and their branches.

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

Item	Assets (in RMB millions)	% of total assets	Number of institutions	% of total institutions	Number of employees	% of total employees
Head Office	7,413,242	14.2	22	0.1	21,478	5.2
Yangtze River Delta	14,762,702	28.2	2,504	15.3	59,505	14.6
Pearl River Delta	8,367,233	16.0	1,937	11.9	46,514	11.4
Bohai Rim	7,592,815	14.5	2,613	16.0	63,617	15.6
Central China	5,705,449	10.9	3,371	20.6	73,867	18.1
Western China	6,663,084	12.7	3,571	21.8	81,542	19.9
Northeastern China	1,820,565	3.5	1,581	9.7	35,823	8.8
Overseas and others	5,848,992	11.2	755	4.6	26,091	6.4
Eliminated and unallocated assets	(5,856,151)	(11.2)				
Total	52,317,931	100.0	16,354	100.0	408,437	100.0

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

4.2.9 International Operation

- ✧ The Bank endeavored to enhance its cross-border financial services, focusing on serving China's high-level opening-up and high-quality development of the Belt and Road cooperation, and on building China into a trader of quality and financial powerhouse. It supported institutional opening-up, higher-quality and higher-efficiency pilot FTZs and the "Invest in China" brand development, and provided innovative services for multinational companies in trade settlement and treasury management, facilitating FDI and utilization. In the first half of the year, the international settlement volume of domestic branches was USD1.6 trillion, up 18.5% year on year. At the end of June, the balance of international trade financing of domestic branches was USD31.0 billion, an increase of 35.4% compared with the end of the previous year. The Bank held the launch events for "Chunrong Action 2025" and "ICBC e Trade" new-form foreign trade service system, and launched the Cross-border e-Business Connect and Cross-border e-Warehouse Connect product lines. In the first half of 2025, the settlement volume of cross-border e-commerce with new forms of business stood at RMB285.6 billion, representing a year-on-year increase of 9%.
- ✧ The Bank supported the construction of a new development pattern and contributed to the development of a "strong currency". The Bank continuously advanced the "Chunxu Action" to provide pro-active solutions for global market participants in cross-border RMB business such as cross-border settlement, investment and financing as well as risk management, increasingly facilitating trade and investment. The Bank fully leveraged the active role of RMB clearing banks in cultivating offshore RMB market, continuously strengthened the construction of clearing infrastructure, enhanced clearing service capabilities, and supported steady development of offshore RMB markets. Cross-border RMB business application scenarios were further diversified to support the development of private enterprises. In the first half of 2025, cross-border RMB business reached RMB5.1 trillion.
- ✧ International cooperation was enhanced continuously. As the chair of the BRICS Business Council Chinese Chapter, the Bank lived up to its responsibilities and effectively served the cooperation among enterprises in BRICS countries. The Bank has been continuously advancing the upgrading of China-Europe economic and trade relations relying on China-Europe Business Council ("CEBC"), and successfully held such events as the China-Europe CEO Roundtable. The Bank strengthened the Belt and Road Bankers Roundtable ("BRBR") mechanism to promote high-quality development of the Belt and Road in a deep-going and solid manner. The Bank firmly served international exhibitions, including China International Import Expo and China International Supply Chain Expo, giving a financial impetus to global economic and trade cooperation.

- ✧ Global network was developed, strengthening cross-border financial servicing capacity continuously. As at the end of June, the Bank had been operating 413 overseas institutions in 49 countries and regions, together with further 20 African countries through shareholding in the Standard Bank. In total, the Bank had 250 institutions in 30 countries that have participated in the Belt and Road initiative. Its service network has covered six continents and major international financial centers around the world. A momentum of stable growth was sustained by overseas institutions amidst complicated challenges. The Bank continuously enhanced global financial servicing capacity in corporate lending, investment banking, asset management, financial markets, clearing and settlement, asset custody and retail banking, strengthened integrated joint marketing at home and abroad, for RMB and foreign currencies, and continued to improve the global financial service system.

MAJOR INDICATORS FOR OVERSEAS INSTITUTIONS

Item	Assets (in USD millions)		Profit before taxation (in USD millions)		Number of institutions	
	At 30 June 2025	At 31 December 2024	Six months ended 30 June 2025	Six months ended 30 June 2024	At 30 June 2025	At 31 December 2024
Hong Kong SAR and Macao SAR	212,457	206,670	696	709	106	96
Asia-Pacific Region (except Hong Kong SAR and Macao SAR)	152,344	144,381	1,012	927	88	88
Europe	99,880	87,152	459	428	65	70
America	45,022	40,157	212	399	153	153
African Representative Office	–	–	–	–	1	1
Eliminations	(54,371)	(44,509)				
Subtotal	455,332	433,851	2,379	2,463	413	408
Investment in Standard Bank ⁽¹⁾	4,001	3,692	257	226		
Total	459,333	437,543	2,636	2,689	413	408

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

- ✧ As at the end of June, total assets of the Bank's overseas institutions (including overseas branches, overseas subsidiaries and investment in Standard Bank) were USD459,333 million, representing 6.3% of the Group's total assets. Profit before taxation during the period was USD2,636 million, accounting for 9.5% of the Group's profit before taxation.

DISTRIBUTION OF OVERSEAS INSTITUTIONS

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

Institutions (country/region)



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

Hong Kong SAR and Macao SAR

Institutions (country/region)



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

Europe

Institutions (country/region)



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

America

Institutions (country/region)



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

Africa

Institutions (country/region)



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

4.2.10 Comprehensive Operation

◆ ICBC UBS Asset Management

ICBC UBS Asset Management is mainly engaged in fund raising, fund sales, asset management and other businesses approved by the CSRC. It has many business qualifications such as mutual fund, QDII, enterprise annuity, specific asset management, domestic (foreign) investment manager of social security fund, RQFII, insurance fund management, special asset management, occupational annuity, basic endowment insurance investment manager and mutual fund investment advisor, and is one of the “fully qualified” fund companies in the industry.

- ✧ ICBC UBS Asset Management vigorously channeled long-term capital into the market in support of reinforcing the pension security system. In serving high-quality development of the capital market, it stepped up the development of equity funds such as ETFs. In response to the reform of mutual funds, it issued the “ICBC Hong Yu Return”, one of the first approved funds with variable management fee rates. ICBC UBS Asset Management continued to improve its professional skills in investment and research, boasting leading investment performance of equity funds, bond funds and pensions in the industry. It also enhanced the investor service capability and strengthened the comprehensive end-to-end support services, realizing solid growth in the fund investment advisory service.
- ✧ At the end of June, ICBC UBS Asset Management managed 265 mutual funds and 613 annuities, separately managed accounts and special portfolios, with assets totaling RMB2.15 trillion, of which the pension investments under management reached RMB1.1 trillion.

◆ ICBC Leasing

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

- ✧ In the aviation sector, through innovative modes such as “PDP financing + long-term leasing” and “lease renewal + outstanding financing”, ICBC Leasing effectively expanded its cooperation with core airlines. It continued to promote the bulk procurement of spare engines and launched the pilot project of the spare engine warehouse. It carried out joint marketing toward overseas airlines in conjunction with Commercial Aircraft Corporation of China, Ltd., helping China-made aircraft go global. In the maritime sector, ICBC Leasing supported the domestic manufacturing of vessels and the green transition and upgrading of vessels under the guiding principle of “shipping made-in-China products with Chinese-built vessels”, and facilitated the delivery of dual-fuel vehicle carriers and service operation vessels for offshore wind farm maintenance. Its shipping subsidiary showed increasingly notable professional strengths with a significant expansion in project pipeline. In the domestic comprehensive leasing sector, focus was placed on advanced manufacturing, green and low-carbon development, strategic emerging industries, SRDI enterprises, private enterprises, inclusive finance for small and micro enterprises and agriculture-related businesses. ICBC Leasing promoted large-scale replication and quality improvement of innovation and transformation demonstration projects, continuously optimizing the business structure.

◆ ICBC-AXA

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

- ✧ ICBC-AXA tapped deeply into the diverse demands of customers by offering a full range of new products. It accelerated the development and launch of omni-channel and multi-category participating products to meet the long-term wealth management needs of customers. It vigorously developed the private pension business, continuously enriched the health product family, and launched the long-term care insurance product “Sheng An Kang”. It offered a wider spectrum of insurance products for small and micro enterprises, employees of business entities and the elderly, advancing the Huimin Insurance program. ICBC-AXA advanced online, automated and intelligent operations and enhanced the fresh experience of customer service. It further developed the health and elderly care services, adopted a headquarters-branch collaborative approach and expanded coverage to more cities and cooperative elderly care institutions. ICBC-AXA continued to improve data governance, strengthened data security management, and advanced the transformation of business, digital and technology middle platform architectures. ICBC-AXA won the “FinTech Innovation Award” at the 16th Digital Insurance Summit (InsurDigital).

◆ ICBC International

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

- ✧ ICBC International focused on the main business of investment banking, boosted strategic synergy of the Group, and continued to deepen the integrated development of corporate financing, sales and trading, investment, asset and wealth management and investment research services. In the first half of 2025, ICBC International completed one Hong Kong IPO sponsorship project and participated in 14 Hong Kong IPO underwriting projects. It participated in 52 bond underwriting projects, with a cumulative financing scale of USD11.93 billion. ICBC International ranked among the top tier of the market in both the number and value of equity and bond underwritings. It optimized the overall investment and financing portfolio, with a focus on expanding and supporting the investment and financing needs in key areas including medical and health care, strategic technologies, intelligent manufacturing, carbon neutrality and the expanded consumer goods sector. It improved the sales and trading service capabilities and maintained steady growth of the bond market-making business. It restructured the asset and wealth management business system with its own characteristics and advanced the customized, differentiated asset management products and services. Unleashing its strengths in investment research, ICBC International saw a solid rise in the market influence of its “ICBC International New Quality Productive Forces Stock Index”, and won the “Best Bond Advisor in Hong Kong” award from *The Asset* for six consecutive years. ICBC International was named the “Best Bond Bank in Asia-Pacific” by *Global Finance* for the first time.

◆ ICBC Investment

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

- ✧ By giving full play to its debt-for-equity swap license and professional expertise and focusing on serving the real economy and preventing and defusing financial risks, ICBC Investment strengthened the bank-corporate cooperation and the investment-lending coordination, improved integrated financial services that combine equity and debt, enriched the varieties of debt-for-equity investment plans and private equity fund products, and made steady progress in the quality development of market-based debt-for-equity swap businesses. Meanwhile, ICBC Investment greatly supported enterprises in reducing and stabilizing leverage, enhancing strength, and promoting reforms. It continuously enhanced the ability and effectiveness of risky asset disposal across the Group, played an active role in the formulation of corporate debt restructuring, debt-for-equity swap plans and reorganization plans, standardized corporate governance and production & operation, helped enterprises tide over difficulties through reform and continuously improved the asset quality of banks. It actively implemented a raft of incremental policies, and promoted pilot equity investment in a faster pace. As a result, the fund signing intention, fund establishment, and project investment scale led the industry in the pilot areas. Besides, it continued to strengthen support for sci-tech innovation and private sector. Further playing its role as a shareholder, ICBC Investment dispatched directors and supervisors to the debt-for-equity swap enterprises according to law, got deeply involved in the corporate governance, and promoted the healthy and sustainable development of such enterprises.

◆ ICBC Wealth Management

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

- ✧ ICBC Wealth Management leveraged its wealth management business license for investment and financing to meet the needs of the country and the expectations of clients. It strove to identify investment opportunities across multiple assets and strategies to help preserve and grow the wealth of inclusive finance clients and pension finance clients. ICBC Wealth Management regularly issues sci-tech innovation and green themed products, especially option-embedded as well as medium- and long-term products, seeing a steady rise in the size and share of investments in technology companies and green industries. In an ongoing effort to become a wealth management company satisfactory to the people, ICBC Wealth Management continued to iterate product innovations. Focusing on such scenarios as idle money management, liquidity management and cash flow, it upgraded and scaled up a variety of scenarios-based products including “Wishful Automatic Investment Plan”, “WM Night Market”, “Zhi Xiang Huan”, “WM Pledge” and “7*24 Quick Redemption”. It enriched the strategic products including “fixed income +

Hong Kong IPO” and “fixed income + options” to provide clients with more high-quality investment choices. To meet the wealth management and investment needs of inclusive finance clients, ICBC Wealth Management carried out in-depth financial education publicity events, including the “Clear Management, Clean Wealth – Better Life House” WM investment education space and the “Protecting Your Money and Family Wellbeing” Anti-illegal Financial Activities Awareness Month events, effectively enhancing the companionship service level.

- ✧ At the end of June, the balance of the products of ICBC Wealth Management reached RMB1,851,583 million, all of which were net-worth products.

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

In RMB millions, except for tranches and percentages

Item		At 31 December 2024		Products issued		Matured products		At 30 June 2025		
		Number of tranches	Amount	Number of tranches	Amount	Number of tranches	Amount	Number of tranches	Amount	Percentage (%)
Classified by fundraising method	Publicly offered	890	1,885,335	271	84,605	323	110,763	838	1,791,355	96.7
	Privately offered	178	76,016	57	20,268	77	36,911	150	60,228	3.3
Classified by investment type	Fixed-income	797	1,877,046	303	84,792	346	129,590	754	1,738,186	93.9
	Equity	36	2,370	–	–	4	555	32	1,561	0.1
	Hybrid	235	81,935	25	20,081	50	17,529	202	111,836	6.0
Total		1,068	1,961,351	328	104,873	400	147,674	988	1,851,583	100.0

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

In RMB millions, except for percentages

Asset type	Amount	Percentage (%)
Cash, deposits and reverse repurchase agreements	753,733	39.3
Bonds	919,197	48.0
Non-standard debt assets	36,220	1.9
Other assets ⁽¹⁾	206,700	10.8
Total	1,915,850	100.0

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

42.11 Major Controlled Subsidiaries and Equity Participating Company

◆ Major Overseas Subsidiaries

Institution	Principal business	At 30 June 2025			Six months ended 30 June 2025
		Issued share capital/ paid-in capital	Total assets (in USD millions)	Net assets (in USD millions)	Net profit (in USD millions)
Industrial and Commercial Bank of China (Asia) Limited	Commercial banking	HKD44,188 million	132,357.26	20,479.01	544.36
ICBC International Holdings Limited	Investment banking	HKD5,963 million	6,846.82	1,002.82	(88.66)
Industrial and Commercial Bank of China (Macau) Limited	Commercial banking	MOP589 million	44,739.89	4,002.26	96.49
PT. Bank ICBC Indonesia	Commercial banking	IDR3.71 trillion	3,058.07	466.24	20.29
Industrial and Commercial Bank of China (Malaysia) Berhad	Commercial banking	MYR833 million	1,245.37	356.16	10.82
Industrial and Commercial Bank of China (Thai) Public Company Limited	Commercial banking	THB20,107 million	7,711.10	1,468.05	43.23
Industrial and Commercial Bank of China (Almaty) Joint Stock Company	Commercial banking	KZT8,933 million	930.47	192.82	26.50
Industrial and Commercial Bank of China (New Zealand) Limited	Commercial banking	NZD234 million	1,588.19	212.47	7.63
Industrial and Commercial Bank of China (Europe) S.A.	Commercial banking	EUR437 million	9,201.28	665.30	4.30
ICBC (London) PLC	Commercial banking	USD200 million	1,683.25	568.92	20.39
ICBC Standard Bank PLC	Banking	USD1,083 million	31,059.10	2,041.19	111.30
Bank ICBC (joint stock company)	Commercial banking	RUB10,810 million	9,739.44	1,011.30	178.95
ICBC Turkey Bank Anonim Şirketi	Commercial banking	TRY14,899 million	2,462.26	104.26	(36.21)
ICBC Austria Bank GmbH	Commercial banking	EUR200 million	1,157.38	238.05	0.73
Industrial and Commercial Bank of China (USA) NA	Commercial banking	USD369 million	2,881.08	479.22	7.55
Industrial and Commercial Bank of China (Canada)	Commercial banking	CAD208 million	2,290.36	360.71	6.06
Industrial and Commercial Bank of China Mexico S.A.	Commercial banking	MXN1,597 million	552.20	68.85	8.81
Industrial and Commercial Bank of China (Brasil) S.A.	Commercial banking	BRL202 million	306.20	32.70	1.05
ICBC PERU BANK	Commercial banking	USD120 million	631.93	156.91	2.55
Industrial and Commercial Bank of China (Argentina) S.A.U.	Commercial banking	ARS429,554 million	7,791.49	1,483.15	74.55

◆ Major Domestic Subsidiaries

In RMB100 millions

Institution	Principal business	At 30 June 2025		Six months ended 30 June 2025	
		Issued share capital/ paid-in capital	Total assets	Net assets	Net profit
ICBC UBS Asset Management Co., Ltd. ⁽¹⁾	Fund management	2	278.20	225.96	17.45
ICBC Financial Leasing Co., Ltd.	Leasing	180	4,414.72	541.52	15.25
ICBC-AXA Assurance Co., Ltd.	Insurance	125.05	3,787.80	196.79	13.37
ICBC Financial Asset Investment Co., Ltd.	Financial asset investment	270	1,968.61	558.98	27.09
ICBC Wealth Management Co., Ltd.	Wealth management	160	230.16	228.94	9.92

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

◆ Major Equity Participating Company

Standard Bank Group Limited

Standard Bank is the largest commercial bank in Africa. Its scope of business covers commercial banking, investment banking, life insurance business and other areas. The Bank continued to hold 324,963,464 shares or 19.74% of Standard Bank and to be its single largest shareholder. Based on mutual benefit and win-win cooperation, the two sides furthered their cooperation in equity cooperation, customer expansion, project financing, product innovation, risk management, FinTech and staff exchange, etc. As at the end of June, Standard Bank recorded total assets of ZAR3,412,181 million and net assets of ZAR302,857 million. It generated a net profit of ZAR27,350 million in the first half of 2025.

4.3 Capital Management

In the first half of the year, the Bank continuously improved scientific capital raising, efficient allocation, precise measurement, long-term constraint and normalized optimization of management mechanism, and continued to elevate the capital utilization efficiency. It appropriately conducted capital replenishment, optimized the capital structure and reduced the cost of capital, thus laying a solid capital foundation for serving the real economy. During the reporting period, all capital indicators remained sound, of which capital adequacy ratio remained at a sound and appropriate level.

4.3.1 Capital Adequacy Ratio and Leverage Ratio

According to the scope of implementing the advanced capital measurement approaches as approved by the regulatory authorities, the Bank adopted the foundation internal ratings-based (“IRB”) approach for corporate credit risk and the advanced IRB approach for retail credit risk that met the regulatory requirements, and adopted the weighted approach for credit risk uncovered by the IRB approach, the standardized approach mainly for market risk, and the standardized approach for operational risk.

As at the end of June, the common equity tier 1 capital adequacy ratio, tier 1 capital adequacy ratio, capital adequacy ratio and leverage ratio calculated by the Bank in accordance with the Rules on Capital Management of Commercial Banks stood at 13.89%, 15.25%, 19.54% and 7.49%, respectively, complying with regulatory requirements¹.

CAPITAL ADEQUACY RATIO

Item	In RMB millions, except for percentages	
	At 30 June 2025	At 31 December 2024
Common equity tier 1 capital	3,754,533	3,648,963
Paid-in capital	356,407	356,407
Valid portion of capital reserve	147,857	148,128
Surplus reserve	464,331	463,951
General reserve	614,718	614,426
Retained profits	2,111,907	2,007,203
Valid portion of minority interests	4,123	4,071
Accumulated other comprehensive income	55,190	54,777
Common equity tier 1 capital deductions	26,001	24,621
Goodwill	18,942	18,687
Other intangible assets other than land use rights	9,441	10,194
Cash flow hedging reserve that relates to the hedging of items that are not fair-valued on the balance sheet	(2,382)	(4,260)
Net common equity tier 1 capital	3,728,532	3,624,342
Additional tier 1 capital	365,127	325,111
Additional tier 1 capital instruments and related premiums	364,344	324,344
Valid portion of minority interests	783	767
Net tier 1 capital	4,093,659	3,949,453
Tier 2 capital	1,151,560	1,037,078
Valid portion of tier 2 capital instruments and related premiums	732,865	632,917
Surplus provision for impairment	417,484	402,917
Valid portion of minority interests	1,211	1,244
Net capital base	5,245,219	4,986,531
Risk-weighted assets⁽¹⁾	26,848,401	25,710,855
Common equity tier 1 capital adequacy ratio (%)	13.89	14.10
Tier 1 capital adequacy ratio (%)	15.25	15.36
Capital adequacy ratio (%)	19.54	19.39

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

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

RISK-WEIGHTED ASSETS

Item	In RMB millions	
	At 30 June 2025	At 31 December 2024
Credit risk-weighted assets	24,508,477	23,386,013
Parts covered by internal ratings-based approach	15,825,874	14,909,022
Parts uncovered by internal ratings-based approach	8,682,603	8,476,991
Market risk-weighted assets	407,644	380,609
Risk-weighted assets for switch between trading book and banking book	91,795	103,748
Operational risk-weighted assets	1,840,485	1,840,485
Total	26,848,401	25,710,855

LEVERAGE RATIO

Item	In RMB millions, except for percentages	
	At 30 June 2025	At 31 December 2024
Net tier 1 capital	4,093,659	3,949,453
Balance of adjusted on- and off-balance sheet assets	54,635,308	50,964,819
Leverage ratio (%)	7.49	7.75

For more information on capital measurement and leverage ratio of the Bank, please refer to the Pillar 3 Disclosure Report of Capital Management for the First Half of 2025 of Industrial and Commercial Bank of China Limited issued by the Bank.

4.3.2 Capital Financing Management

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

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

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

In June 2025, the Bank's Annual General Meeting for the Year 2024 considered and approved the Proposal on the Issuance of Capital Instruments and Total Loss-Absorbing Capacity Eligible Non-Capital Debt Instruments, consenting the Bank to issue capital instruments and Total Loss-Absorbing Capacity ("TLAC") non-capital bonds of up to RMB800.0 billion or foreign currency equivalent. The issuance plan is still subject to the approval of relevant regulatory authorities.

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

4.4 Outlook

In the world today, changes on a scale unseen in a century are unfolding at an accelerating pace. The strategic rivalries between global powers have intensified and more uncertainties have arisen in tariff war and trade war, bringing the world into a new period of turbulence and transformation. Since the beginning of this year, the Chinese economy has made progress while maintaining stability. New headway has been made in high-quality development, as evidenced by the good performance of main economic indicators, robust advance in new quality productive forces, deeper reform and wider opening-up as well as effective forestalling and defusing of risks in major fields. All of these provide favorable environment and strong support for the steady operation of commercial banks.

In the second half of 2025, ICBC will remain guided by the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, uphold the overarching principle of seeking progress while maintaining stability and implement the major financial tasks of guarding against risks, strengthening supervision and promoting high-quality development. Focusing on keeping employment, businesses, markets and expectations stable, the Bank will improve financial services and step up transformation in an all-out effort to enhance the value creativity, market competitiveness, market influence and risk control capacity.

The Bank will adhere to the guidance of the Party building theory, work hard to fully study, understand and implement thoroughly the Party’s innovative theories in accordance with the important requirement of “Five Further Implementations”, maintain theoretical education all the way, make regular and sustained efforts on rectification following the disciplinary inspection by the CPC Central Committee, deepen the strict Party self-governance and bank governance in every respect and steadfastly advance the “Clean ICBC” campaign. The Bank will enhance smart risk control in practice, fully support defusing risks in key fields, accelerate the promotion and application of “4E centers”, strengthen the “Five-pronged Risk Management Approach”, boost operational compliance and working safety and endeavor to be a prudent bank putting safety and security first. ICBC will refine its modern layout with a focus on keeping employment, businesses, markets and expectations stable, step up credit supply and credit investment and develop a range of comprehensive financial solutions. It will strengthen support for key sectors of the national economy, including “Major Strategies, Key Fields and Weak Links”, “Renewal and Trade-in”, “Major Strategies and Key Fields”, manufacturing, sci-tech innovation, private enterprises and trade and commerce, and take solid steps on the “Five Priorities” of technology finance, green finance, inclusive finance, pension finance and digital finance. With a global presence, ICBC will serve customers worldwide, vigorously supporting exports and the Belt and Road development and high-standard opening-up. The Bank will remain devoted to its major responsibilities and core businesses, enhance its conventional strengths in “three traditional pillars” including industry and commerce, retail and technology and expand new arenas of development including new infrastructure, new business forms and serving new quality productive forces, in a bid to become a modern bank serving the overall national interests. The Bank will enhance digital momentum

focused on application scenarios, continue to develop the “3+3+2” system, make solid progress in navigating the AI+ initiative, keep optimizing the “ICBC Zhiyong” platform and enhance the capability of digital operation, thereby building a future-oriented D-ICBC. To improve and upgrade a diverse structure and cement the business fundamentals, the Bank will strengthen the sophisticated management of costs, consolidate the fee and commission income contribution, increase transaction-related income, better balance the sources and use of funds, and build ICBC into a “Strong, Excellent, Large and Stable” value creator. The Bank will fortify the ecosystem foundation for customer service, and provide more considerate services to improve the people’s wellbeing. The GBC+ projects will be further implemented to consolidate the capital chain, customer chain, service chain and value chain, making ICBC a bank satisfactory to the people, by your side and as your trust. In addition, the Bank will strive to develop new intergenerational technological leadership and build capable teams of executives and professionals, with stronger fundamental and strategic underpinnings from technology and talent.

The year 2025 marks the final year of the 14th Five-Year Plan, with preparations for the 15th Five-Year Plan underway. The Bank will, toward the goal of becoming a world-class and modern financial institution with Chinese characteristics, position itself as the main force in serving the real economy, the ballast stone in maintaining financial stability, a bellwether in building strong financial institutions, and a benchmark bank in fulfilling major responsibilities and core businesses. It will adhere to the guidance of the Party building theory, press forward with the “five transformations”, exert every effort to fulfill the objectives and tasks set out in the 14th Five-Year Plan and prepare a well-devised strategic plan for development during the 15th Five-Year Period. ICBC will, as a leading bank, serve the Chinese modernization and China’s goal of becoming a financial powerhouse, and keep breaking new ground in high-quality development and high-level security.

4.5 Hot Topics in the Capital Market

Hot Topic 1: Advancing High-quality Development through “Five Transformations”

In the first half of 2025, the Bank earnestly implemented the main task of “guarding against risks, strengthening supervision and promoting high-quality development” in its financial work, adhered to the guidance of the Party building theory, and made solid progress in the “five transformations” of intelligent risk control, modern layout, digital driver, diversified structure and ecological foundation. The Bank sped up its high-quality development while supporting high-quality economic and social development, showing a more impressive landscape of “Strong, Excellent, Large and Stable” development. **Core businesses became stronger.** With its targeted services for “industry” and “commerce”, the Bank remained in the first place among comparable peers by the balance of loans to manufacturing and strategic emerging industries, trade financing scale, the volume of RMB settlement account business and the balance of personal financial assets under management (“AUM”). It also maintained a leading edge in technological capacity. **Performance became better.** In spite of its continued profit concessions to the real economy, the Bank ranked among the top few banks worldwide by operating income or net profit, kept the annualised return on average total assets and annualised return on weighted average equity within a reasonable range

and saw the cost-to-income ratio at a relatively good level. **Contributions became greater.** The Bank remained as a global leader in terms of total assets, total capital, deposits, and loans, and further increased its profit and tax contributions and dividend distributions. **Operation became more stable.** The Group's capital adequacy ratio was 19.54%, remaining at the forefront among global peers. Allowances to NPLs stood at 217.71%, showing better risk resilience. NPL ratio was 1.33%, indicating stable quality of assets.

The Bank strengthened intelligent risk control, and continued to improve the capability of preventing and mitigating risks. "Comprehensive management" was more systematic. The Head Office, branches and domestic integrated subsidiaries all set up risk management and internal control committees that have been in regular operation, strengthened the performance supervision over risk officers and the capacity building of risk management departments, and further formed a risk management framework with horizontal coordination and vertical penetration. **"Active prevention" continued to be strengthened.** The departments in the first line of defense strengthened their risk management function, and further implemented the new rules for internal control and approval. Solid progress was made in "Modular, Intelligent, Three Improves" of internal audit, and new achievements were made in defusing risks in key areas such as real estate, local government debts and small and medium-sized financial institutions. **"Smart control" building was accelerated.** The "4E centers" enterprise-level intelligent risk management platform launched 131 scenarios for risk control decision-making, achieving full coverage of 37 domestic branches. The Bank rolled out the first credit AI agent in the industry, enabling a broader view of risks, quicker screening of risks, more efficient blocking of risky transactions and closer monitoring of cross-sector risk contagion.

The modern layout was refined to enhance the capability of serving high-quality development. The Bank front-loaded its services for China's modernization. The Bank introduced concrete measures to implement a raft of incremental state policies for the financial sector, and strengthened its support for keeping employment, businesses, markets and expectations stable. In the first half of 2025, newly granted loans and outstanding bond investments were both the highest among comparable peers. Loans to "Major Strategies, Key Fields and Weak Links" grew faster than the Bank's average. **The Bank proactively served financial modernization.** It refined and deepened the work on the "Five Priorities", and improved the policy system and supporting measures. As a result, main business indicators continued to lead the peers. The Bank actively supported the building of international financial centers, and stepped up the business deployment in Shanghai and Hong Kong SAR. **The Bank made solid progress in its own modernization.** While consolidating ICBC's conventional strengths in industrial and commercial finance, retail finance and technology, the Bank expanded faster into the "new tracks" of financial infrastructures, new types of business and serving new quality productive forces. The number of CIPS direct participants increased to 37. "ICBC Global Pay" achieved broader coverage and higher quality. Third-party payment transactions continued to grow in value. The total size of custody business was RMB29.9 trillion. Investment banking and mega asset management made robust headway, the mega wealth management platform showed solid development and the intelligent quantitative trading capacity continued to improve.

The Bank unleashed the digital momentum to foster new quality productive forces at a faster pace. The three external platforms became even stronger. The number of personal mobile banking customers exceeded 600 million, with more than 265 million mobile monthly active users. Open banking connected 72.2 thousand partners, with an aggregate transaction value of RMB249 trillion. “ICBC e-Life” had 21.15 million monthly active users. **The three internal platforms were upgraded.** Counter Express covered 86.5% outlets. The personal Marketing Express launched the AI wealth assistant, and the personal marketing PAD was established. The “Smart Office Platform AI+” project was implemented to make office work smarter. **Technological and data support was strengthened.** The “AI+” Action Plan was carried out to launch over 100 application scenarios. An integrated cyber-security system for domestic and overseas operations was built. The first digital archive for business conglomerate in the industry was established.

Diverse structures were fostered to shape a multi-pronged business landscape. The customer structure was improved. The “Solid Rock Campaign” targeting medium-sized customers was implemented, raising the number of medium-sized customers beyond 740 thousand. The “ICBC iBonus Point” marketing event was launched, spurring a rise of 22 bps in the proportion of personal customers with average daily AUMs of RMB10 thousand or more. **The business structure was improved.** A special campaign was carried out to boost consumption, with the balance of personal consumption loans exceeding RMB460.0 billion, the share of incremental “retail + inclusive” loans rising continuously and the NIM remaining within a reasonable range comparable with peers. **The segment structure was refined.** The four pillars of corporate banking, personal banking, institutional banking and global market were further consolidated, and the four segments of the Head Office, branches, domestic integrated subsidiaries and overseas institutions were more balanced.

With a solid foundation in place for business ecosystem, the business and development become more resilient. The customer base was cemented. The Bank made solid progress in GBC+ projects and improved the working mechanism for “allocating the land on the household basis”. The number of corporate customers exceeded 14.00 million and the number of personal customers exceeded 770 million. **The balanced groundwork was improved.** Keeping in mind the “balanced + steady” business philosophy, the Bank made coordinated efforts to ensure reasonable growth of effective quality improvement, reasonable quantity growth, accurate risk prevention and control, and strict regulatory compliance, with main business indicators staying steady. **The management fundamentals were consolidated.** The Bank made regular and sustained rectification following the disciplinary inspection by the CPC Central Committee, improved the working regulations of the Party Committee and the Management, amended the Articles of Association of the Bank, and stepped up efforts to build a modern financial enterprise system with Chinese characteristics.

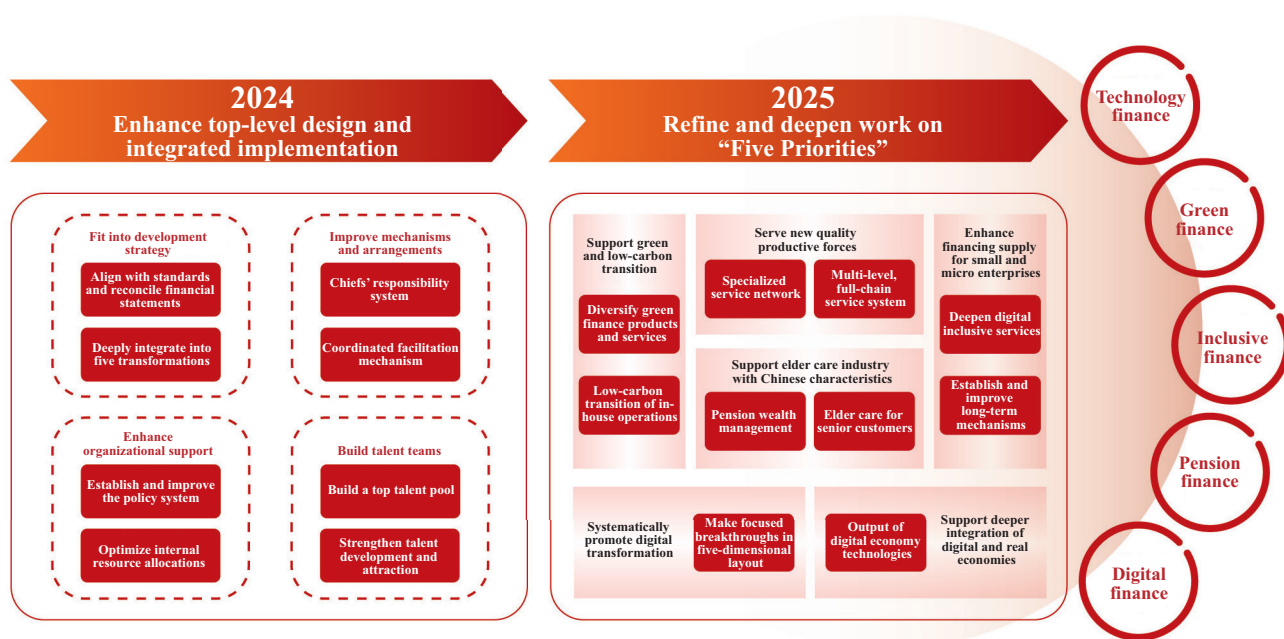
The Bank will focus on serving Chinese modernization and building China into a financial powerhouse, remain anchored on the goal of becoming a world-class modern financial institution with Chinese characteristics, and act as a leading bank to be the main force in serving the real economy, the ballast stone in maintaining financial stability, a bellwether in building strong financial institutions, and a benchmark bank in fulfilling major responsibilities and core businesses. It will adhere to the guidance of the Party building theory, make stronger and more effective efforts to advance the “five transformations”, exert every effort to fulfill the objectives and tasks

set out in the 14th Five-Year Plan, and thoroughly prepare the 15th Five-Year Plan. ICBC will continue to enhance the value creativity, market competitiveness, market influence and risk control capacity, better demonstrate its responsibility as a leading bank, and keep breaking new ground in high-quality development and high-level security.

Hot Topic 2: Acting as a Leading Bank to Excel in the “Five Priorities” of Financial Work

The Bank has firmly shouldered its mission of serving the country’s major strategies and promoting high-quality development. The Bank put the “Five Priorities” at the forefront of its work, and established an integrated facilitation mechanism for the “Five Priorities” featuring efficient collaboration between the Head Office and branches, outstanding professional capabilities, strong resource support and mutual promotion between different sectors.

Figure: ICBC refined and deepened work on the “Five Priorities”



The Bank made sustained and deep-going efforts to increasingly cement the foundation for development. By putting in place the business management processes featuring efficient interaction between the Head Office and branches and close collaboration among the front, middle and back offices, the Bank continued to reinforce the three cornerstones of organizational structure, operation system and risk management. The Bank dynamically improved its corporate policy system in line with national policies and regulatory requirements, and identified the “1+5” priorities of work addressing both overall and specific aspects. The statistical standards were unified to make resource allocation more targeted and effective. The Bank established a pool of over 2,000 core experts and 10,000 high-caliber professionals for the “Five Priorities”, and built three 10,000-member technology teams for system development, data analysis and application support respectively, providing solid intellectual support and technological guarantees for the relevant work.

With an enhanced orientation to quality, core indicators led the market. In terms of technology finance, the Bank refined the multi-level, specialized service system for technology finance, which comprises the Head Office, the technology finance centers of 25 branches and 160 technology-oriented sub-branches. 28 AIC equity investment funds were successfully created, making the Bank the first to achieve full coverage of pilot cities in fund cooperation, and providing lifecycle support for sci-tech innovation. As at the end of June 2025, the balance of sci-tech loans exceeded RMB6 trillion, and the underwritings of sci-tech innovation bonds were close to RMB50.0 billion, both representing the largest market share in the industry. **In terms of green finance,** the Bank established a regular cooperation mechanism exclusively with the Ministry of Industry and Information Technology, jointly exploring a green path for industrial upgrade. The comprehensive green finance services for the Suzhou Industrial Park became a fine example that is replicable for broader application. The balance of green loans exceeded RMB6 trillion, topping the industry. **In terms of inclusive finance,** the Bank actively implemented the financing coordination mechanism for small and micro enterprises together with the differentiated risk policies and the due diligence mechanism, effectively unleashing the service momentum at the outlets level. Inclusive loans registered a balance close to RMB3.4 trillion, representing a year-on-year increase of 17.3%, and inclusive customers reached 2,431 thousand, representing an increase of 347 thousand. The asset quality of inclusive loans remained better than peers. **In terms of pension finance,** the Bank seized the opportunity of the silver economy and became the only bank to cooperate with the Ministry of Human Resources and Social Security in completing the National Coordinated Fund Management System for Pension Insurance project. These efforts provided crucial support for efficient operation of the national pension system. The size of various pensions under management recorded RMB5.4 trillion. The Bank served more than 210 million customers aged over 55. It strengthened financial support for the elderly care industry and actively served the national strategy for addressing population aging. **In terms of digital finance,** the Bank launched the “AI+” Action Plan, developed and applied the “ICBC Zhiyong” enterprise-level large model with hundreds of billions of parameters, empowering business innovation and efficiency improvement. The Bank led the market by number of personal mobile banking customers and number of e-CNY wallet users.

Taking refining and deepening the “Five Priorities” of financial work as a strategic focus, the Bank will continue to optimize its financial support for major strategies, key fields and weak links, give a boost to high-quality development of the national economy while improving its own development quality and efficiency, and contribute more to advancing Chinese modernization and building the country into a financial powerhouse.

Hot Topic 3: Consolidating Credit Risk Management and Keeping Asset Quality Stable

In the first half of 2025, the Bank stepped up lifecycle credit risk management across the board, seeing the loan structure gradually optimized and the asset quality steadily improved. As at the end of the reporting period, the Group’s NPL ratio was 1.33%, down 0.01 percentage points from the end of the previous year.

The intelligent credit risk control system “Three Gates and Seven-color Pools” ran to a high standard. At the entrance end, policy empowerment was strengthened to ensure targeted services for key fields and weak links. The Bank developed policies for key regions such as the Beijing-Tianjin-Hebei region, the Yangtze River Delta and the Guangdong-Hong Kong-Macao Greater Bay Area in line with the focus of the national strategy for regional coordinated development, the regional resource endowments, and the institutional capabilities operation and management, effectively supporting these key regions in pursuing high-quality development. Emphasis was placed on providing policy support for major national strategies including manufacturing, sci-tech innovation, green and low-carbon development and inclusive finance. The loan growth in key fields outpaced the Bank’s average. The total and incremental values of green loans both led the industry. Adhering to the principles of “decentralization, independence, and checks and balances”, the Bank steadily promoted the implementation of the new credit approval rules for tier-two branches, and continuously enhanced the asset selection capabilities. **At the threshold end,** the Bank continued to strengthen customer risk management, took solid steps to implement the new mechanism for managing concentration and appropriateness of big clients’ investment and financing, regularly conducted risk monitoring and forward-looking assessment and strove to enhance intelligent risk monitoring of retail and inclusive loans. A multi-pronged approach was adopted to consolidate the closed loop of monitoring, control and resolution. Through in-depth mining of risk information, the Bank intensified forward-looking identification of credit risks and the early intervention in risk resolution, further enhancing the ability to proactively prevent risks. **At the exit end,** the Bank leveraged the special working mechanisms such as direct operation and management to strengthen independent collection efforts, expand market-based disposal channels, deepen digital integration and innovation and conducted in-depth research on disposal paths for key overseas institutions. As a result, the Group’s total amount of NPL disposal significantly increased over the same period of last year. The size and efficiency of disposals remained at a relatively good level among comparable peers.

Risks in key fields and major sectors were effectively forestalled and controlled. The Bank earnestly implemented the national macro policies and continuously strengthened the risk prevention and control in key areas such as real estate and retail loans. **In the real estate sector,** the Bank stayed true to a prudent and stable business principle, adhered to the three-dimensional asset selection criteria covering regions, customers, and projects, and endeavored to establish a diversified, multi-faceted, and balanced structure of real estate investment and financing. In light of the new characteristics and circumstances that have emerged in real estate industry in recent years, the Bank attached great importance to the risks associated with industry transformation. Forward-looking and active risk management were carried out with a focus on “increase, prevention, mitigation, and control”. The disposal efforts were stepped up for risky real estate developers and projects to prevent and mitigate risks, effectively reducing the impact of risks in the real estate sector on the overall asset quality. **In the retail sector,** the Bank upheld a people-centered development philosophy, and continued to improve the multi-level and wide-ranging retail credit system. On one hand, to meet various needs of the people, targeted and tailored measures were taken to diversify the supply of credit products. On the other hand, the Bank continued to strengthen the risk control throughout the retail credit process, and improved key links including business access, duration management, intensive collections and NPL disposal.

The platform system development gained pace to comprehensively enhance the capability of intelligent risk control. Through integrated application of such technologies as machine learning, knowledge graphs and large-language models based on internal and external financial and non-financial data, the Bank developed an enterprise-level intelligent risk management platform with “4E centers”, namely, Enterprise-level risk View service Center (EVC), Enterprise-level risk Measurement service Center (EMC), Enterprise-level risk Monitoring and Alerting service Center (EAC), and Enterprise-level risk Strategy-making service Center (ESC), providing digital tools for enterprise risk management. The Bank optimized the intelligent loan approval platform, upgraded the Seven-color Pools credit risk monitoring methods and developed the “AI-Credit Matrix”, a credit AI agent matrix developed based on the new-generation AI technology, and the “ICBC eXaminer (Gong Xiao Shen)”, a digital assistant for credit review. The digital and intelligent technology was employed to empower the capacity building in risk control and enhance the efficiency of risk prevention and control.

Hot Topic 4: Making New Breakthroughs in Wealth Management Focused on Customer Needs

The Bank stepped up the ecosystem-based development and digital transformation of personal banking, and promoted high-quality development of the wealth management business focused on customer needs.

With a broader customer base, the core indicators of wealth management reached new highs. As at the end of the reporting period, the Bank had over 770 million personal customers with low, medium and high levels of AUMs. The number of customers with personal AUMs of over RMB200 thousand exceeded 26.00 million. The number of customers with investment experience in funds, insurance and wealth management exceeded 29.00 million, 5.79 million and 34.00 million, respectively. The number of wealth management customers continued to grow steadily. The Bank recorded more than RMB24 trillion in personal AUMs, maintaining a leading position in the market. Specifically, the balance of personal deposits exceeded RMB19.8 trillion, the balance of wealth management products exceeded RMB1.9 trillion, the balance of insurance products exceeded RMB1.2 trillion, and the balance of fund products exceeded RMB0.7 trillion.

With a competitive product portfolio, the Bank established a wealth management product system tailored to meet needs of the large customer base. The Bank currently offers over 5,000 wealth management products, spanning deposits, funds, wealth management, insurance, precious metals and other financial products for personal customers. These products provide diverse financial and non-financial benefits to meet the individual needs of customers in terms of financing and investment. Among them, the “Tian Tian Ying” cash management service, based on a number of money market funds and cash management products, provides customers with cash management services featuring low minimum investment requirements, low investment risks and redeemability at any time, helping customers manage their short-term idle funds. The “ICBC Family Legacy” private banking service system was launched. The “Master Family Account” for clients’ wealth inheritance was developed. To promote high-quality development of charity finance, the “Partner Charity Service” Ecosystem was created to encourage the wealth for good, effectively assisting in education, science, culture, health, rural revitalization, ecological conservation, and poverty alleviation, and demonstrating the political and people-oriented nature of financial work.

Furthermore, the Bank integrated the capabilities of integrated subsidiaries. By joining hands with ICBC-AXA, ICBC UBS Asset Management, ICBC Wealth Management and other subsidiaries of the Group to build a wealth management value chain that encompasses customer groups, products and services and wealth systems. With this value chain in place, the Bank has provided a full range of differentiated customer services and products focused on the tiered value demand of customers.

With diverse service offerings, the Bank steadily improved its overall capacity of serving customers. First, a wide range of digital and intelligent technological tools with “Intelligent Brain” as the core have been widely used in business activities. The “Intelligent Brain” digital platform enables seconds-level computing to generate customer-specific wealth management service plans. The account managers can inquire about the service plans for their clients through the “Intelligent Brain” module and provide tailored products and services accordingly. Second, services were strengthened for entrepreneurs and scientists. Thanks to Group-wide concerted efforts to serve entrepreneurs, the Bank set up more than 3,300 Entrepreneurs Service Centers. To strengthen comprehensive services for scientific and technological talents, the Bank launched the “Stellar” comprehensive service system, deepened the GBC coordination and promoted all-round cooperation with the science and technology associations, research institutes, advanced-level research universities and leading high-tech enterprises. At last, mobile banking has become an important open and lightweight marketing platform for the Bank. In addition to the basic features such as account inquiry, transfer and remittance, mobile banking also has a variety of wealth management output capabilities, such as investment and wealth management, financing and lending, foreign exchange business, asset and liability navigation and asset analysis. The open wealth community service of mobile banking has continued to upgrade, growing and prospering together with open institutions through the internet smart operation platform, and providing comprehensive investor education and companionship through diversified content services.

With a fast pace of platform innovation, the Bank improved the digital operation capacity of open platforms. An open wealth management platform was built innovatively. Designed to address pain points and difficulties in personal wealth management, the platform takes “Wise Gold” as the main brand, and adopts a two-pronged framework of “investment research system (intellectual output) + wealth community (customer services)”. It helps customers to correctly understand, pick and invest in products with confidence, making professional and complicated wealth management services more inclusive and convenient. The platform is characterized by inclusiveness-oriented customer services, professional product-picking ability, solid digital foundation and well-established risk management skills. In terms of influence, by the end of the reporting period, a total of 31 funds, insurers and wealth management companies had joined the community, providing customers with four-faceted community services: investor education and financial literacy, investor companionship, product research and selection, and marketing events. The community has published more than 30,000 pieces of information, launched more than 200 marketing events and received nearly 2.0 billion views of the wealth community.

Hot Topic 5: Building a World-class Asset Custodian as a New-type Financial Infrastructure

In the first half of 2025, the Bank expanded its asset custody services to new arenas, becoming more competitive and influential in this sector. As at the end of the reporting period, the Group's total size of custody business was RMB29.9 trillion, and net fee and commission income from custody business amounted to RMB4.27 billion, both maintaining the leading position among peers.

The global layout was accelerated to foster “new poles” of high-level opening-up. In serving the high-level opening-up of the financial sector, the Bank made coordinated planning for domestic and overseas markets. It improved its global network of custody services by remaining rooted in the domestic market, tapping deeper into Asia and reaching for the world. As at the end of the reporting period, the Group's global custody size reached RMB2.5 trillion, accounting for 8.3% of the total, up 1.4 percentage points year on year. While maintaining its position as the largest custodian in the domestic banking industry, the Bank focused on building a Hong Kong-based flagship platform for global custody services, helping build Hong Kong SAR into an international financial hub. At the end of the reporting period, the custody size of ICBC (Asia) exceeded RMB1.2 trillion. A cooperative ecosystem for custodian institutions was developed, strategically extending the global custody layout in an integrated manner. A custody network covering 92 markets worldwide has taken shape, helping investors at home and abroad diversify their global asset allocations. As at the end of the reporting period, the Bank served 50% of qualified domestic institutional investors (QDII) investing overseas, ranking first in the industry by custody size of QDII assets. Closely following the opening-up policy for the domestic financial market, the Bank engaged deeply in market innovation, and promoted investment opportunities in China's capital markets across the board. Through continuous product innovation and service optimization, the Bank has streamlined the cross-border transaction processes in an ongoing fashion, providing global investors with more efficient and secure custody services.

A full range of products were developed to enhance the “new drivers” of the capital market reform and development. The Bank fully leveraged the function of custody services as a new-type financial infrastructure, to safeguard the capital market stability with a full-fledged product line and leading service capabilities. The Bank ranked first in the industry by the custody size of mutual funds, insurance assets, pensions, QDII assets, and operational outsourcing asset management. As at the end of the reporting period, the custody size of mutual funds was RMB4.8 trillion. The custody of equities-based ETFs had a market share of 37%, providing a solid backing for enhancing investor confidence and maintaining market stability. The Bank helped build a robust multi-tier pension system of the country. It registered a pension custody size of RMB3.5 trillion, and provided enterprise annuity service for over 27 thousand corporate customers. The Bank provided timely and reliable pension distribution services for millions of retirees to ensure the public wellbeing. The Bank served the direct financing market and recorded RMB8.8 trillion in the size of insurance assets under custody, representing an increase of RMB680.0 billion compared with the beginning of the year, and channeling more patient capital into the capital market. As an industry trendsetter, the Bank provided asset management outsourcing services for banking wealth management, insurance companies, and trust institutions, with a business scale of RMB3.3 trillion, helping to foster world-class investment management organizations.

The Bank expanded integrated services to develop a “new paradigm” of open and synergistic ecosystem. In response to the strategy of promoting innovation-driven development, the Bank has thoroughly integrated resources on the custody service platform to create a stronger synergy among the Head Office, domestic branches, overseas institutions, and integrated subsidiaries. It provides a lifecycle, one-stop comprehensive solutions throughout the “creation, fundraising, investment, management, and exit” in the asset management industry. As at the end of the reporting period, the custody of industrial funds was close to RMB800.0 billion, stoking the development of strategic emerging industries. The Bank fully fit itself into the “investment banking – asset management – wealth management – transaction finance” value and ecological chain, deepened all-round cooperation with the core strategic partners of the Group, and created distinctive vehicles such as the ICBC Custody Sharing and Matchmaking Platform and the ICBC Custody Innovation Cooperation Forum. Focusing on the people’s concerns and public wellbeing, the Bank improved the “Custody+” service system, innovatively launched the “Service Trust + Anxin Account + Internet Finance” business model. The custody of trust assets exceeded RMB1.8 trillion, representing an increase of RMB300.0 billion compared with the beginning of the year. This service has safeguarded transaction funds, boosted consumer confidence and enhanced the people’s sense of gain.

The Bank pursued digital and intelligent development to forge “new engines” for intelligent custody. Leveraging the Group’s FinTech and data strengths and remaining oriented to customer value creation, the Bank has adopted a “Data + Technology” two-pronged approach and defined the asset custody system as an integral part of the D-ICBC strategy. The asset custody system has been incorporated into the enterprise-level financial infrastructure and the national important information systems. The system security has been upgraded to the highest tier of protection in China, providing strong support for the safety, stability and efficiency of the custody services. Efforts were stepped up to apply cutting-edge technologies such as artificial intelligence, blockchain, and big data in business operations. The asset custody system became increasingly automated and intelligent, enabling online, real-time straight-through processing of cross-border securities settlement. The Bank was the first to launch AI-based smart analysis of custody contract terms and automatic identification of investment oversight indicators. Currently, the accuracy rate of automatic identification exceeds 94%. The Bank developed the management cockpit, marketing service, and operations management systems, built a digital management hub covering the entire process, and achieved real-time perception of all business links and smart capture of risk factors.

In the next step, the Bank will remain anchored on the goal of becoming a world-class custodian and fit itself into China’s overall blueprint for financial market infrastructures. With a higher perspective, stronger commitment and more concrete measures, the Bank will expedite the development of new-type asset custody infrastructures, act as a leading bank in blazing the path of development with distinctive features of Chinese custodians, and contribute more to serving national strategies, bolstering the real economy and promoting high-quality financial development.

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

Details of Securities Issuance and Listing

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

The Bank did not issue corporate bonds to be disclosed in accordance with Chapter II, Section 7 of the Standard on the Content and Format of Information Disclosure by Companies Offering Securities to the Public No. 3 — Contents and Formats of Interim Reports (2025 Revision) issued by the CSRC, nor did it have the above-mentioned corporate bonds existed on the approval date of this Announcement.

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

For details on the issuance progress of tier 2 capital bonds, undated additional tier 1 capital bonds and TLAC non-capital debt instruments of the Bank during the reporting period, please refer to the section headed “Discussion and Analysis — Capital Management”.

For information on other securities issued by the Bank and its subsidiaries, please refer to “Note 29. to the Financial Statements: Debt Securities Issued; Note 32. to the Financial Statements: Other Equity Instruments” for details.

Number of Shareholders and Particulars of Shareholding

As at the end of the reporting period, the Bank had a total number of 673,736 ordinary shareholders and no holders of preference shares with voting rights restored or holders of shares with special voting rights, including 102,995 holders of H shares and 570,741 holders of A shares.

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

						Unit: Share
Name of shareholder	Nature of shareholder	Class of shares	Increase/decrease of shares during the reporting period	Number of shares held at the end of reporting period	Shareholding percentage (%)	Number of pledged/locked-up/ marked shares
Central Huijin Investment Ltd.	State-owned	A Share	–	124,004,660,940	34.79	None
MOF	State-owned	A Share	–	110,984,806,678	31.14	None
HKSCC Nominees Limited ⁽⁵⁾	Foreign legal person	H Share	12,844,885	86,180,148,138	24.18	Unknown
National Council for Social Security Fund ⁽⁶⁾	State-owned	A Share	–	12,331,645,186	3.46	None
Hong Kong Securities Clearing Company Limited ⁽⁷⁾	Foreign legal person	A Share	-45,175,088	2,485,044,800	0.70	None
China Securities Finance Co., Ltd.	State-owned legal person	A Share	–	2,416,131,540	0.68	None
Central Huijin Asset Management Ltd.	State-owned legal person	A Share	–	1,013,921,700	0.28	None
ICBC — SSE 50 Exchange Traded Securities Investment Funds ⁽⁸⁾	Other entities	A Share	28,653,613	687,188,486	0.19	None
Industrial and Commercial Bank of China — Huatai-PB CSI 300 ETF ⁽⁹⁾	Other entities	A Share	17,809,272	622,863,833	0.17	None
China Construction Bank Corporation — E Fund HS 300 ETF ⁽¹⁰⁾	Other entities	A Share	27,727,400	445,137,025	0.12	None

- Notes: (1) The above data are based on the Bank's register of shareholders as at 30 June 2025.
- (2) The Bank had no shares subject to restrictions on sales.
- (3) HKSCC Nominees Limited is a wholly-owned subsidiary of Hong Kong Securities Clearing Company Limited. Central Huijin Investment Ltd. held 100% equity of Central Huijin Asset Management Ltd., and held 66.70% equity of China Securities Finance Co., Ltd. Save as disclosed above, as at 30 June 2025, the Bank is not aware of any connected relations or acting-in-concert relations among the aforementioned shareholders.
- (4) Except to the extent unknown to HKSCC Nominees Limited, the top 10 shareholders of the Bank did not participate in any margin trading, short selling or refinancing business.
- (5) The number of shares held by HKSCC Nominees Limited at the end of the period refers to the total number of H shares held by it as a nominee on behalf of all institutional and individual investors registered with accounts opened with HKSCC Nominees Limited as at 30 June 2025, which included H shares of the Bank held by the National Council for Social Security Fund and Ping An Asset Management Co., Ltd.
- (6) At the end of the reporting period, according to the information provided by the National Council for Social Security Fund to the Bank, the National Council for Social Security Fund held 6,717,485,833 H shares of the Bank and 19,049,131,019 A and H shares in aggregate, accounting for 5.34% of the Bank's total ordinary shares.
- (7) The number of shares held by Hong Kong Securities Clearing Company Limited at the end of the period refers to the total A shares (Northbound shares of the Shanghai-Hong Kong Stock Connect) held by it as a nominal holder designated by and on behalf of Hong Kong and foreign investors as at 30 June 2025.
- (8) "ICBC — SSE 50 Exchange Traded Securities Investment Funds" are securities investment funds raised as approved by the CSRC in the Zheng Jian Ji Jin Zi [2004] No. 196 Document dated 22 November 2004, with China Asset Management Co., Ltd. as the fund manager and ICBC as the fund custodian.
- (9) The "Industrial and Commercial Bank of China Limited — Huatai-PB CSI 300 ETF" is a securities investment fund approved by the CSRC in the CSRC Document [2012] No. 392 dated 23 March 2012. Huatai-PineBridge Fund Management Co., Ltd. acts as the fund manager and ICBC acts as the fund custodian.
- (10) The "China Construction Bank Corporation — E Fund HS 300 ETF" is a securities investment fund approved by the CSRC in the CSRC Document [2012] No. 1762. E Fund Management Co., Ltd. acts as the fund manager and China Construction Bank acts as the fund custodian.

Changes of the Controlling Shareholders and De Facto Controller

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

Interests and Short Positions Held by Substantial Shareholders and Other Persons

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

As at 30 June 2025, the Bank received notices from the following persons about their interests or short positions held in the Bank's ordinary shares and underlying shares, which were recorded in the register pursuant to Section 336 of the Securities and Futures Ordinance of Hong Kong as follows:

HOLDERS OF A SHARES

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

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

HOLDERS OF H SHARES

Name of substantial shareholder	Capacity	Number of H shares held (share)	Nature of interests	Percentage of H shares ⁽³⁾ (%)	Percentage of total ordinary shares ⁽³⁾ (%)
Ping An Asset Management Co., Ltd. ⁽¹⁾	Investment manager	16,510,803,000	Long position	19.02	4.63
National Council for Social Security Fund ⁽²⁾	Beneficial owner	6,938,013,180	Long position	7.99	1.95

Notes: (1) As confirmed by Ping An Asset Management Co., Ltd., such shares were held by Ping An Asset Management Co., Ltd. on behalf of certain customers (including but not limited to Ping An Life Insurance Company of China, Ltd.) in its capacity as investment manager and the interests in such shares were disclosed based on the latest disclosure of interests form filed by Ping An Asset Management Co., Ltd. for the period ended 30 June 2025 (the date of relevant event being 12 February 2025). Both Ping An Life Insurance Company of China, Ltd. and Ping An Asset Management Co., Ltd. are subsidiaries of Ping An Insurance (Group) Company of China, Ltd. As Ping An Asset Management Co., Ltd. is in a position to fully exercise the voting rights in respect of such shares on behalf of customers and independently exercise the rights of investment and business management in its capacity as investment manager, and is completely independent from Ping An Insurance (Group) Company of China, Ltd., Ping An Insurance (Group) Company of China, Ltd. is exempted from aggregating the interests in such shares as a holding company under the aggregation exemption and disclosing the holding of the same in accordance with the Securities and Futures Ordinance of Hong Kong.

- (2) According to the information provided by the National Council for Social Security Fund to the Bank, the National Council for Social Security Fund held 6,717,485,833 H shares of the Bank as at the end of the reporting period, accounting for 7.74% of the Bank's H shares and 1.88% of the Bank's total ordinary shares.
- (3) Due to rounding, percentages presented herein are for reference only.

Preference Shares

◆ Issuance and Listing of Preference Shares during the Reporting Period

During the reporting period, the Bank did not issue any preference shares.

◆ Number of Preference Shareholders and Particulars of Shareholding

As at the end of the reporting period, the Bank had one offshore preference shareholder (or proxy), 30 domestic preference shareholders of “工行優 1” and 38 domestic preference shareholders of “工行優 2”.

PARTICULARS OF SHAREHOLDING OF THE TOP 10 OFFSHORE PREFERENCE SHAREHOLDERS (OR PROXIES) OF THE BANK

Unit: Share

Name of shareholder	Nature of shareholder	Class of shares	Increase/ decrease during the reporting period	Shares held at the end of the period	Shareholding percentage (%)	Number of shares subject to restrictions on sales	Number of pledged/ locked-up/ marked shares
The Bank of New York Depository (Nominees) Limited	Foreign legal person	USD offshore preference shares	–	145,000,000	100	–	Unknown

Notes: (1) The above data are based on the Bank's register of offshore preference shareholders as at 30 June 2025.

- (2) As the issuance of the offshore preference shares above was non-public offering, the register of preference shareholders presented the information on the registered holder of the offshore preference shares.
- (3) The Bank is not aware of any connected relations or acting-in-concert relations between the aforementioned preference shareholder and the top 10 ordinary shareholders.
- (4) “Shareholding percentage” refers to the percentage of offshore preference shares held by preference shareholders in total number of offshore preference shares.

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

Unit: Share

Name of shareholder	Nature of shareholder	Class of shares	Increase/decrease during the reporting period	Shares held at the end of the period	Shareholding percentage (%)	Number of shares subject to restrictions on sales	Number of pledged/locked-up/ marked shares
China Mobile Communications Group Co., Ltd.	State-owned legal person	Domestic preference shares	–	200,000,000	44.44	–	None
China National Tobacco Corporation	Other entities	Domestic preference shares	–	50,000,000	11.11	–	None
China Life Insurance Company Limited	State-owned legal person	Domestic preference shares	–	35,000,000	7.78	–	None
Ping An Life Insurance Company of China, Ltd.	Domestic non-state-owned legal person	Domestic preference shares	–	30,000,000	6.67	–	None
China Fund Management Co., Ltd.	State-owned legal person	Domestic preference shares	14,735,000	17,635,000	3.92	–	None
Shanghai Haitong Securities Asset Management Co., Ltd.	State-owned legal person	Domestic preference shares	–	12,200,000	2.71	–	None
Sun Life Everbright Asset Management Co., Ltd.	State-owned legal person	Domestic preference shares	–	11,715,000	2.60	–	None
China National Tobacco Corporation Shandong Branch	Other entities	Domestic preference shares	–	10,000,000	2.22	–	None
China National Tobacco Corporation Heilongjiang Branch	Other entities	Domestic preference shares	–	10,000,000	2.22	–	None
Ping An Property & Casualty Insurance Company of China, Ltd.	Domestic non-state-owned legal person	Domestic preference shares	–	10,000,000	2.22	–	None

Notes: (1) The above data are based on the Bank’s register of domestic preference shareholders of “工行優 1” as at 30 June 2025.

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

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

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

Unit: Share

Name of shareholder	Nature of shareholder	Class of shares	Increase/decrease during the reporting period	Shares held at the end of the period	Shareholding percentage (%)	Number of shares subject to restrictions on sales	Number of pledged/locked-up/ marked shares
China Life Insurance Company Limited	State-owned legal person	Domestic preference shares	–	120,000,000	17.14	–	None
China Mobile Communications Group Co., Ltd.	State-owned legal person	Domestic preference shares	–	100,000,000	14.29	–	None
Bohai International Trust Co., Ltd.	State-owned legal person	Domestic preference shares	–	82,251,000	11.75	–	None
China Credit Trust Co., Ltd.	State-owned legal person	Domestic preference shares	970,000	70,719,000	10.10	–	None
Everbright Securities Asset Management Co., Ltd.	State-owned legal person	Domestic preference shares	-750,000	65,285,000	9.33	–	None
China National Tobacco Corporation	Other entities	Domestic preference shares	–	50,000,000	7.14	–	None
Shanghai Tobacco Group Co., Ltd.	Other entities	Domestic preference shares	–	30,000,000	4.29	–	None
CCB Trust Co., Ltd.	State-owned legal person	Domestic preference shares	-20,000,000	24,700,000	3.53	–	None
China Resources SZITIC Trust Co., Ltd.	State-owned legal person	Domestic preference shares	–	19,695,000	2.81	–	None
China Fund Management Co., Ltd.	State-owned legal person	Domestic preference shares	5,000,000	19,350,000	2.76	–	None

Notes: (1) The above data are based on the Bank’s register of domestic preference shareholders of “工行優 2” as at 30 June 2025.

(2) Shanghai Tobacco Group Co., Ltd., China National Tobacco Corporation Shandong Branch and China National Tobacco Corporation Heilongjiang Branch are all wholly-owned subsidiaries of China National Tobacco Corporation. Sun Life Everbright Asset Management Co., Ltd. and Everbright Securities Asset Management Co., Ltd. have connected relations. Save as disclosed above, the Bank is not aware of any connected relations or acting-in-concert relations among the aforementioned preference shareholders and among the aforementioned preference shareholders and the top 10 ordinary shareholders.

(3) “Shareholding percentage” refers to the percentage of domestic preference shares of “工行優 2” held by preference shareholders in total number (700 million shares) of domestic preference shares of “工行優 2”.

◆ Dividend Distribution of Preference Shares

During the reporting period, the Bank did not distribute dividends on preference share.

The Bank reviewed and approved the distribution of dividends on “工行優 2” and offshore USD preference shares at the meeting of the Board of Directors on 29 August 2025, planning to distribute the dividends on “工行優 2” on 24 September 2025 at the dividend rate of 3.02% (pre-tax, and the tax payable on dividends received by holders of domestic preference shares should be borne by them in compliance with relevant laws and regulations) and the total dividends distributed will be RMB2,114 million; and planning to distribute the dividends on offshore USD preference shares on 23 September 2025 at the dividend rate of 3.58% (after-tax, namely the actual dividend rate obtained by offshore USD preference shareholders) and the dividends distributed on offshore USD preference shares will be approximately USD115.36 million including USD103.82 million to be paid to preference shareholders and approximately USD11.54 million of withholding income tax.

◆ Redemption or Conversion of Preference Shares

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

The Bank issued U.S.\$2,900,000,000 Offshore Preference Shares (the “USD Offshore Preference Shares”) in the offshore market in 2020. The Board of Directors of the Bank considered and approved the Proposal on Exercising the Redemption Right of the U.S.\$2,900,000,000 Offshore Preference Shares on 29 April 2025. The Bank proposed to, subject to the approval of the National Financial Regulatory Administration, exercise the redemption right of all of the aforesaid USD Offshore Preference Shares on 23 September 2025. On 23 July 2025, the Bank received a reply letter from the National Financial Regulatory Administration, pursuant to which, no objections were raised by the National Financial Regulatory Administration to the Bank’s redemption of U.S.\$2,900,000,000 Offshore Preference Shares. In accordance with the terms and conditions of the USD Offshore Preference Shares (the “Terms and Conditions”) and the reply letter from the National Financial Regulatory Administration, the Bank intends to redeem all of the aforementioned USD Offshore Preference Shares on 23 September 2025 (the “Redemption Date”) at the redemption price per each USD Offshore Preference Share (being the aggregate of an amount equal to the liquidation preference (as defined in the Terms and Conditions) of each USD Offshore Preference Share plus any declared but unpaid dividends in respect of the period from (and including) the immediately preceding dividend payment date to (but excluding) the Redemption Date). Upon redemption and cancellation of the aforementioned USD Offshore Preference Shares, there will be no USD Offshore Preference Shares of the Bank in issue in the offshore market. Please refer to the announcements published by the Bank on the website of the SSE, the “HKEXnews” website of the HKEX and the website of the Bank.

◆ Restoration of Voting Rights of Preference Shares

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

◆ Accounting Policies Adopted for Preference Shares and Rationale

According to the Accounting Standard for Business Enterprises No. 22 — Recognition and Measurement of Financial Instruments, the Accounting Standard for Business Enterprises No. 37 — Presentation of Financial Instruments promulgated by the MOF as well as the International Financial Reporting Standard 9 — Financial Instruments and the International Accounting Standard

32 — Financial Instruments: Presentation promulgated by International Accounting Standards Board and other accounting standards and the key terms of issuance of the Bank's preference shares, the issued and existing preference shares do not contain contractual obligations to deliver cash or other financial assets or contractual obligations to deliver variable equity instruments for settlement, and shall be accounted for as other equity instruments.

6. Corporate Governance, Environment and Society

6.1 Corporate Governance

Overview of Corporate Governance

During the reporting period, the Bank has consistently regarded the improvement of corporate governance as a fundamental work for achieving high-quality development in the new era, and continuously deepened the organic integration between the Party's leadership and corporate governance to build a modern financial enterprise system with Chinese characteristics. It continuously built a corporate governance mechanism with "clear division of responsibilities, each performing their own duties, mutual coordination, and effective checks and balances", and optimized the corporate governance operation mechanism to ensure "scientific decision-making, effective oversight and sound operations", thereby effectively enhancing the governance efficiency and high-quality development capability. The Bank strengthened the top-level design of corporate governance. The proposal on the revision of the Articles of Association and the matters related to the dissolution of the Board of Supervisors was reviewed and approved at the Annual General Meeting for the Year 2024, and the relevant matters are yet to be approved by the National Financial Regulatory Administration.

Corporate Governance Code

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

Profits and Dividends Distribution

The formulation and implementation of the Bank's cash dividend policy accord with the provisions stipulated in the Articles of Association and the requirements provided in the resolutions of the Shareholders' General Meeting, the dividend distribution standards and proportion are clear and explicit, and the decision-making procedure and mechanism are complete. Moreover, Independent Non-executive Directors had issued their opinions on it. Minority shareholders can fully express their opinions and appeals, to completely safeguard their legitimate rights.

As approved at the Third Extraordinary General Meeting of 2024 held on 2 December 2024, the Bank distributed 2024 interim cash dividends for ordinary shares of about RMB51,109 million, or RMB1.434 per ten shares (pre-tax), to the ordinary shareholders whose names appeared on the share register after the close of market on 6 January 2025. As approved at the Annual General Meeting for the Year 2024 held on 27 June 2025, the Bank distributed 2024 year-end cash dividends for ordinary shares of about RMB58,664 million, or RMB1.646 per ten shares (pre-tax), to the ordinary shareholders whose names appeared on the share register after the close of market on 11 July 2025. The Bank distributed cash dividend of RMB3.080 per ten shares (pre-tax) for the whole year of 2024, totaling about RMB109,773 million.

The Board of Directors of the Bank proposed distributing 2025 interim cash dividends for ordinary shares of RMB1.414 per ten shares (pre-tax) of 356,406,257,089 ordinary shares, totaling about RMB50,396 million. The distribution plan will be submitted to the Shareholders' General Meeting for approval. The Bank's 2025 interim cash dividends for ordinary shares are denominated and declared in RMB and paid in RMB or HKD equivalent, and the holders of H shares are provided with the option of dividend distribution in RMB. The holders of H shares have the right to choose to receive the dividends of H shares in RMB or HKD in whole (HKSCC Nominees Limited may choose to receive the dividends in whole or in part). The HKD exchange rate is the average of the reference exchange rates for RMB to HKD published daily at 11:00 a.m. by the China Foreign Exchange Trade System for the five business days prior to (but excluding) the dispatch date of the dividend currency election form by the Bank to holders of H shares.

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

Implementation of Share Incentive Plan and Employee Stock Ownership Plan During the Reporting Period

During the reporting period, the Bank did not implement any share incentive plan or any employee stock ownership plan.

Implementation of the Initiative for Special Action "Quality and Efficiency Improvement, and High Return"

In accordance with the relevant requirements of the CSRC's Regulatory Guidelines for Listed Companies No. 10 — Market Value Management and the SSE's initiative for special action "Quality and Efficiency Improvement, and High Return" to Shanghai-listed companies, the Board of Directors of the Bank formulated the Market Value Management Measures and the Plan for Valuation Enhancement, Quality and Efficiency Improvement, and High Return in the first half of 2025.

During the reporting period, the Bank thoroughly implemented the decisions and plans of the CPC Central Committee and the State Council, adhered to the principle of seeking progress while maintaining stability and promoting stability through progress, and advanced the “five transformations”. It focused on its major responsibilities and core businesses, upheld integrity while fostering innovation, strengthened risk and compliance management, and drove high-quality development. (For details on the analysis of the Bank’s business operation, please refer to the section headed “Discussion and Analysis”.) The Bank actively fulfilled its responsibilities as a major bank, committed to creating value for shareholders and serving investors, while maintaining a reasonable dividend payout ratio. To further enhance investor returns, the Bank introduced interim dividends for the first time in 2024, which were distributed in January 2025. In the 2024 year-end dividend distribution plan, holders of H shares were, for the first time, given the option to receive dividends in RMB. Centering on investors, the Bank proactively deepened communication through regular results briefings and diversified investor relations activities, to foster greater understanding and recognition of the Bank among investors. The Bank continued to uphold the principles of truthfulness, accuracy, completeness, comparability, timeliness and fairness, and strictly complied with laws, regulations, and regulatory requirements on information disclosure to constantly strengthen transparency as a listed company and continuously improve investor protection.

6.2 Directors, Supervisors and Senior Management

Basic Information on Directors, Supervisors and Senior Management

As at the disclosure date of the results, the composition of the Board of Directors, the Board of Supervisors and the Senior Management of the Bank is as follows:

The Board of Directors of the Bank consists of 12 directors, including three Executive Directors: Mr. Liao Lin, Mr. Liu Jun and Mr. Wang Jingwu; four Non-executive Directors: Mr. Lu Yongzhen, Ms. Cao Liquan, Mr. Dong Yang and Ms. Zhong Mantao; and five Independent Non-executive Directors: Mr. Norman Chan Tak Lam, Mr. Herbert Walter, Mr. Murray Horn, Mr. Chen Guanting and Mr. Li Weiping.

The Board of Supervisors of the Bank consists of three members, including one Employee Supervisor, namely Mr. Huang Li, and two External Supervisors, namely Mr. Zhang Jie and Mr. Liu Lanbiao.

The Bank has eight Senior Management members, namely Mr. Liao Lin, Mr. Liu Jun, Mr. Wang Jingwu, Mr. Zhang Weiwu, Mr. Yao Mingde, Mr. Zhang Shouchuan, Mr. Song Jianhua and Mr. Tian Fenglin.

During the reporting period, the Bank did not implement any share incentives. None of the existing Directors, Supervisors and Senior Management members of the Bank or those who left office during the reporting period held shares or share options or were granted restricted shares of the Bank, and there was no change during the reporting period.

Appointment and Departure

◆ Directors

At the Third Extraordinary General Meeting of 2024 held on 2 December 2024, Mr. Li Weiping was elected as Independent Non-executive Director of the Bank, and his qualification was approved by the National Financial Regulatory Administration in February 2025. At the Bank's Annual General Meeting for the Year 2024 held on 27 June 2025, Mr. Dong Yang was re-elected as Non-executive Director of the Bank, and his new term of office as Non-executive Director started from the day of approval by the Shareholders' General Meeting. On 29 August 2025, the Board of Directors of the Bank nominated Mr. Duan Hongtao as a candidate for Executive Director of the Bank, Mr. Lee Kam Hung Lawrence as a candidate for Independent Non-executive Director of the Bank, and Mr. Norman Chan Tak Lam as a candidate for Independent Non-executive Director of the Bank and to be re-elected and re-appointed as Independent Non-executive Director of the Bank. The above matters shall be submitted to the Shareholders' General Meeting for deliberation and voting. After being approved by voting, the qualifications of Mr. Duan Hongtao and Mr. Lee Kam Hung Lawrence as directors are still subject to the approval of the National Financial Regulatory Administration, and the new term of office of Mr. Norman Chan Tak Lam as Independent Non-executive Director will start from the day of approval by the Shareholders' General Meeting.

In April 2025, Mr. Fred Zulu Hu ceased to act as Independent Non-executive Director of the Bank due to expiration of his term of office. In May 2025, Mr. Feng Weidong ceased to act as Non-executive Director of the Bank due to his age, and Ms. Chen Yifang ceased to act as Non-executive Director of the Bank due to expiration of her term of office.

◆ Senior Management Members

On 29 August 2025, the Board of Directors of the Bank appointed Mr. Yao Mingde as Chief Financial Officer of the Bank. His qualification is subject to the approval of the National Financial Regulatory Administration. On 29 August 2025, the Board of Directors of the Bank appointed Mr. Tian Fenglin to concurrently serve as Board Secretary of the Bank and also as Company Secretary and Authorized Representative. The appointment of Mr. Tian Fenglin as Company Secretary and Authorized Representative shall take effect upon approval by the Board of Directors. His qualification as Board Secretary is subject to the approval of the National Financial Regulatory Administration.

Due to position change, Mr. Duan Hongtao has taken office as Deputy Secretary of the Party Committee of the Bank from June 2025, and he tendered the resignation to the Bank in August 2025, resigning from his positions as Senior Executive Vice President, Board Secretary and Company Secretary of the Bank. During the period from the resignation of Mr. Duan Hongtao to the effective date of the appointment of Mr. Tian Fenglin as Board Secretary, Mr. Tian Fenglin shall perform duties on behalf of Board Secretary.

Changes in Information of Directors and Supervisors

None.

6.3 Environmental and Social Responsibilities

Green Finance

Adhering to the business philosophy of promoting green development with financial service, the Bank continued to refine its system of green financial products and services, and innovatively built a green financial development model with distinctive ICBC's characteristics. In implementing the national strategy of "carbon peak and carbon neutrality", the Bank integrated the concept of green development into its business strategy, continuously improved the governance mechanism for green finance, incorporated climate and environmental risks into the enterprise risk management framework, aligned its activities with international leading practices and delivered fruitful results in high-quality development of green finance. The Bank won a number of awards and honors, including the "Best Bank for Sustainable Finance, China" by *The Asset*, in recognition of its stronger market influence and public awareness.

The Bank continued to intensify its endeavors in green investment and financing services, remaining ahead of peers by scale. At the end of June, the Bank's balance of green loans exceeded RMB6 trillion, maintaining the top position, with a focus on key green industries such as clean energy, green transportation, energy conservation and environmental protection. Innovative support was provided for turning environmental and ecological benefits into economic value, and explorations were made in credit services for ocean carbon sinks and bamboo carbon sinks, delivering notable contribution to carbon emission reduction.

The Bank devoted itself to building a system of green financial products and services, providing multi-dimensional support for green transition of the real economy. During the reporting period, the Bank innovatively issued the first floating-rate green financial bond of RMB8.0 billion among domestic commercial banks, helping optimize the interest rate transmission mechanism in China's green financial market. It successfully issued "carbon neutrality" themed offshore green bonds in multiple currencies, with their proceeds earmarked for low-carbon purposes. Such moves served the big picture of China's high-level opening-up under the philosophy of green and sustainable development. The Bank continued to promote ESG advisory services to empower sustainable development of enterprises. In the field of transition finance, the Bank issued transition loans against the tentative industry standards for transition finance, carried out the sustainability-linked bond and transition bond business, and accelerated the application of transition finance standards. In the field of carbon finance, the Bank explored innovative carbon finance products and services, such as loans secured by carbon emission allowances and loans secured by the Chinese Certified Emission Reduction (CCER) and expected income from ecological carbon sinks.

Green Operation

The Bank pursued energy conservation and carbon emission reduction in its operations under the guiding principle of “promoting green development, advocating green and low carbon, and building a green bank”. This endeavor focused on four areas, namely, IT infrastructure, building infrastructure, daily office work and key energy-consuming facilities. Data centers became more energy-efficient through computer room upgrades and refined management. The Business Research & Development Center and Xizang Branch actively promoted the use of green electricity. Green office was promoted across the Bank, and paperless meetings were extensively held to reduce the office paper consumption. The carbon footprint management system was optimized, with data collected on carbon emissions in relation to domestic employees’ commuting and business trips, laying the foundation for improving carbon emission data disclosure. The Bank stepped up efforts in the publicity of and training on low-carbon operations through green and low-carbon posters, “carbon peak and carbon neutrality” staff training and Energy Conservation Week events. It strengthened the self-assessment of energy conservation and reflected on the energy use, improved energy conservation management and hired third-party professional firms to carry out data verification and business guidance, laying the data groundwork for low-carbon operation going forward.

Consolidating and Building on Achievements in Poverty Alleviation and Serving Rural Revitalization

The Bank continued to increase agricultural financial supply, improved the coverage of rural services and expanded the customer base in counties and townships, providing a full spectrum of financial services to support rural revitalization. At the end of June, the balance of agriculture-related loans was RMB4,997.1 billion, representing an increase of RMB601.1 billion over the beginning of the year.

The Bank supported the enhancement of capacity to ensure the supply of grains and other important agricultural products and continued to consolidate and expand the achievements in poverty alleviation. It further promoted the “Bountiful Harvest Action” plan to ensure food security and met the financing needs of high-standard farmland construction, grain planting, seed industry revitalization, agricultural technology and other key fields, and scaled up the promotion of “Planting e Loan”, “Breeding e Loan” and other specialized products. At the end of June, the balance of loans to key areas of grain was RMB289.0 billion, representing an increase of RMB56.1 billion compared with the beginning of the year. The Bank supported the industrial development in poverty-stricken areas, increased the credit supply to key counties for targeted assistance, and solidly promoted the work of targeted assistance. The Bank launched a special recruitment campaign “ICBC Stars • Supporting Rural Residents and Enabling Dreams” in poverty-stricken areas, developed exclusive preferential settlement rights for customers in poverty-stricken counties and key counties for targeted assistance, and optimized the layout of outlets in poverty-stricken counties and key counties for targeted assistance to expand service coverage. At the end of June, the balance of loans to key counties under the National Rural Revitalization Program was RMB221.6 billion, representing an increase of 8.6% over the beginning of the year, which was higher than the average growth rate of the Bank’s loans; the balance of loans to poverty-stricken areas was RMB1,338.1 billion, representing an increase of RMB126.0 billion over the beginning of the year. Both of them met regulatory requirements.

The Bank supported expanding county-level wealth-boosting industries, promoting rural development and improving the rural governance system. It increased credit support for agricultural industrial chains such as farming, circulation and processing of agricultural products, and manufacturing of agricultural machinery. It deepened financial services for agriculture-related supply chains, and supported the growth and development of new types of agricultural operating entities. In conjunction with the Ministry of Agriculture and Rural Affairs, the Bank further upgraded the “Agricultural Matchmaking” rural industrial services, serving 480 thousand agricultural business entities in total, and facilitated more than 50 thousand cooperation projects. Regarding the major project pipeline for agricultural and rural infrastructures, the Bank enhanced financial services for construction, consolidation and upgrade of rural roads, water supply, power grid, telecommunications, and delivery and logistics systems, and promoted new urbanization centered on county-level development. At the end of June, the balance of rural infrastructure construction loans was RMB1.1 trillion, representing an increase of RMB116.9 billion over the beginning of the year. The Bank leveraged the “Digital Rural Comprehensive Service Platform” to enhance the management of rural collective “Three Resources” (assets, funds and resources) to promote rural governance. It carried out training programs such as “Partner Bellwether Plan” and “High-Quality Farmer Training Program”, integrating agricultural and financial knowledge to cultivate a skilled rural workforce.

The Bank deepened the innovation of service models, and provided solid financial services to promote comprehensive rural revitalization. It implemented the “Cultivation” initiative for rural revitalization, with the entire Bank working in unison to deepen and solidify services for rural revitalization. The Bank accelerated the upgrade of ICBC “Xingnongtong” online services such as “ICBC e Pooling” open banking, built the offline service system in conjunction with supply and marketing cooperatives, and continued to optimize the integrated pattern of online and offline service channels at county and township levels. At the end of June, the coverage rate of county-level outlets reached 87.4%, and the number of online county-level and rural customers exceeded 194 million. The Bank explored the applications of satellite remote sensing imagery in agriculture, and applied such technologies as Internet of Things and biometric identification to conduct collateral monitoring and post-lending management, further enhancing the digital credit capabilities. It launched the “Digital Showroom of Financial Services for Rural Revitalization”, set up the “Smart Agriculture” service shelf for inclusive agriculture-related products, and promoted the co-development and sharing of exemplary models and best practices of financial services for rural revitalization.

The Bank effectively carried out the work of targeted assistance. In earnestly implementing the national strategic plan for rural revitalization, the Bank solidly carried out targeted assistance work to promote comprehensive rural revitalization. It developed the 2025 Work Plan for Targeted Assistance and defined 26 key tasks under six topics, including enhancing organizational promotion, deepening financial services, promoting rural industrial development, advancing countryside construction, promoting countryside governance and preventing poverty relapse and onset. Leveraging the collective strength of the Group to consolidate a coordinated poverty alleviation framework with shared responsibilities, the Bank strengthened consumer assistance, and organized the “Spring Festival Initiative”, helping increase the procurement and sales of agricultural products from areas that have shaken off poverty. The Bank continued with the implementation of the high-speed rail advertisement program for rural revitalization of targeted assistance areas, helping increase farmers’ income and develop local industries. Relying on the Group’s public welfare brand and focusing on education development and talent cultivation in targeted assistance areas, the Bank continued to carry out assistance projects including the “Sailing Project” that provided financial aid for financially disadvantaged students, the “Candlelight Program” that recognized outstanding rural teachers, and the “Vocational and Professional Talents Program”, spreading public welfare spirit and sharing ICBC’s compassion.

Consumer Protection

The Bank actively practiced finance for the people by earnestly implementing consumer right protection requirements. It improved the governance structure for consumer protection, refined the long-term management mechanism, enhanced its complaint handling capacity, upgraded products and services through high-quality work on consumer protection and took a wide range of steps to protect the legitimate rights and interests of consumers. The Board of Directors and the Senior Management enhanced overall planning, guidance and oversight of consumer protection work, regularly discussed and reviewed key matters regarding consumer protection, improved the integration of resources and coordination of governance, continued to consolidate and enhance the results of the consumer protection system reform, and further integrated consumer protection requirements into the business operation and development. The Bank accelerated the empowerment of consumer protection work through digital and intelligent reforms, and launched an intelligent consumer protection platform. It fully leveraged the proactive risk warning role of consumer protection reviews to promote the implementation of requirements for information disclosure, suitability management, and personal information protection, and ensured that these requirements were implemented in business scenarios such as product design, pricing management, marketing and promotion, system optimization and service changes, effectively safeguarding consumers' basic rights to information, autonomous choice and information security. The Bank strengthened the integration and coordination of consumer protection and business activity, actively promoted the upgrade of elderly-friendly scenarios, improved the multi-level and diverse payment service system, enriched the supply of inclusive finance products and services, addressed service bottlenecks, bridged the digital divide, ensured seamless integration between online and offline services and improved the service experience for elderly customers, foreign visitors to China and rural customers across the board.

The Bank deepened the root cause management of complaints and carried out the "Personal Customer Service Experience Enhancement" program to address service pain points in terms of business models, product rules and policies and procedures, sparing no effort to enhance customer satisfaction. It continued to strengthen complaint handling capabilities, further reinforced the ability to address customer issues through the 95588 hotline, and implemented a tiered and categorized handling of customer feedback tickets. The Bank piloted the establishment of complaint handling centers in selected tier-two branches, and vigorously promoted the use of diversified financial dispute resolution mechanisms to enhance the standardization, efficiency and professionalism of complain handling, providing better customer experiences. The intelligent transformation of complaint management was sped up by enriching and improving the functions of the customer complaint management system. The Bank leveraged large language model (LLM) to enhance the capability of complaint data analytics, providing more digital tools to support complaint handling. The Bank improved the quality and efficiency of compliant management through technological means.

Financial education and literacy were deeply integrated with the themes such as improving the quality and efficiency of financial services, protecting customers' financial rights and interests and building a harmonious environment for financial consumption. The Bank held a series of themed events, including the "March 15th Consumer Protection and Financial Education and Literacy Week & ICBC Sharing Station Volunteer Service" and the "Publicizing Financial Knowledge to Walk Ten Thousand Miles". Focusing on the needs and concerns of the general public and social hotspots, a series of publicity events were carried out in local communities, campuses and rural areas, disseminating financial knowledge into the work and life scenarios of consumers. These programs further expanded the coverage and penetration of financial education and literacy. The Bank developed distinctive digital publicity modes including sitcoms, short videos, micro-movies and immersive experiences, so as to boost the public access to financial knowledge in a popular and appealing fashion and effectively improve consumers' financial literacy and risk prevention capabilities. The Bank proactively fostered a consumer protection culture and fully embedded the culture across all employees. The Bank organized bank-wide quizzes on consumer protection knowledge, and intensified targeted training for management, key business lines, frontline staff, and new employees. It integrated consumer protection and complaint handling skills into business training programs to enhance employees' awareness and competency.

7. Other Information

Purchase, Sale and Redemption of Shares

During the reporting period, neither the Bank nor any of its subsidiaries purchased, sold or redeemed any listed shares (including sale of treasury shares) of the Bank. As at 30 June 2025, the Bank and its subsidiaries did not hold any treasury shares.

Securities Transactions of Directors and Supervisors

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

Material Assets Acquisition, Sale and Merger

During the reporting period, the Bank had no material assets acquisition, sale or merger.

8. Review Report and Interim Financial Report

(See the Appendices)

9. Issue of Results Announcement and Interim Report

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

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

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

29 August 2025

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

Appendix

Review Report and Interim Financial Report

Industrial and Commercial Bank of China Limited

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors of Industrial and Commercial Bank of China Limited

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

Introduction

We have reviewed the condensed interim financial information of Industrial and Commercial Bank of China Limited (the "Bank") and its subsidiaries (collectively the "Group") set out on pages 2 to 134, which comprise the consolidated statement of financial position as of 30 June 2025 and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six-month period then ended, and certain explanatory notes. 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"), issued by the International Accounting Standards Board. The directors of the Bank are responsible for the preparation and presentation of these interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on these interim financial information based on our review. 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* issued by the International Auditing and Assurance Standards Board. A review of these interim financial information mainly consists of making inquiries, persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Ernst & Young
Certified Public Accountants
Hong Kong
29 August 2025

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTHS ENDED 30 JUNE 2025
(In RMB millions, unless otherwise stated)

		Six months ended 30 June	
	Notes	2025 (unaudited)	2024 (unaudited)
Interest income		673,603	721,053
Interest expense		(360,027)	(407,103)
NET INTEREST INCOME	3	313,576	313,950
Fee and commission income		74,162	76,373
Fee and commission expense		(7,142)	(8,968)
NET FEE AND COMMISSION INCOME	4	67,020	67,405
Net trading income	5	7,613	9,612
Net gains on financial investments	6	18,294	14,744
Other operating income/(expense), net	7	2,579	(3,712)
OPERATING INCOME		409,082	401,999
Operating expenses	8	(108,570)	(105,208)
Credit impairment losses	9	(104,007)	(101,809)
Impairment losses on other assets		(522)	(260)
OPERATING PROFIT		195,983	194,722
Share of results of associates and joint ventures		3,025	2,462
PROFIT BEFORE TAXATION		199,008	197,184
Income tax expense	10	(30,205)	(25,888)
PROFIT FOR THE PERIOD		168,803	171,296
Profit for the period attributable to:			
Equity holders of the parent company		168,103	170,467
Non-controlling interests		700	829
PROFIT FOR THE PERIOD		168,803	171,296
EARNINGS PER SHARE	12		
- Basic (RMB yuan)		0.46	0.47
- Diluted (RMB yuan)		0.46	0.47

The accompanying notes form part of these financial statements.

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2025
(In RMB millions, unless otherwise stated)

		Six months ended 30 June	
	Note	2025 (unaudited)	2024 (unaudited)
Profit for the period		<u>168,803</u>	<u>171,296</u>
Other comprehensive income (after tax, net):	34		
(a) Items that will not be reclassified to profit or loss:			
(i) Changes in fair value of equity instruments designated as at fair value through other comprehensive income		1,649	1,514
(ii) Other comprehensive income recognized under the equity method		(18)	49
(iii) Others		<u>1</u>	<u>26</u>
(b) Items that may be reclassified subsequently to profit or loss:			
(i) Changes in fair value of debt instruments measured at fair value through other comprehensive income		1,029	24,908
(ii) Credit losses of debt instruments measured at fair value through other comprehensive income		(119)	1,321
(iii) Cash flow hedging reserve		1,748	(516)
(iv) Other comprehensive income recognised under the equity method		(33)	(426)
(v) Foreign currency translation reserve		(1,755)	9,332
(vi) Others		<u>(4,210)</u>	<u>(7,459)</u>
Subtotal of other comprehensive income for the period		<u>(1,708)</u>	<u>28,749</u>
Total comprehensive income for the period		<u>167,095</u>	<u>200,045</u>
Total comprehensive income for the period attributable to:			
Equity holders of the parent company		167,455	199,527
Non-controlling interests		<u>(360)</u>	<u>518</u>
		<u>167,095</u>	<u>200,045</u>

The accompanying notes form part of these financial statements.

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025
(In RMB millions, unless otherwise stated)

	Notes	30 June 2025 (unaudited)	31 December 2024 (audited)
ASSETS			
Cash and balances with central banks	13	3,055,772	3,322,911
Due from banks and other financial institutions	14	1,247,437	1,219,876
Derivative financial assets	15	128,229	222,361
Reverse repurchase agreements	16	1,772,664	1,210,217
Loans and advances to customers	17	29,371,887	27,613,781
Financial investments	18	15,568,428	14,153,576
Financial investments measured at fair value through profit or loss		956,846	1,010,439
Financial investments measured at fair value through other comprehensive income		4,016,365	3,291,152
Financial investments measured at amortised cost		10,595,217	9,851,985
Investments in associates and joint ventures	19	77,716	73,357
Property and equipment	20	301,930	302,387
Deferred tax assets	21	96,614	90,047
Other assets	22	697,254	613,233
TOTAL ASSETS		52,317,931	48,821,746

The accompanying notes form part of these financial statements.

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 JUNE 2025
(In RMB millions, unless otherwise stated)

	Notes	30 June 2025 (unaudited)	31 December 2024 (audited)
LIABILITIES			
Due to central banks		161,252	169,622
Due to banks and other financial institutions	24	5,170,135	4,590,965
Financial liabilities measured at fair value through profit or loss	25	109,106	76,056
Derivative financial liabilities	15	115,218	197,795
Repurchase agreements	26	1,726,587	1,523,555
Certificates of deposit	27	442,147	445,419
Due to customers	28	36,904,556	34,836,973
Income tax payable		23,616	31,880
Debt securities issued	29	2,599,339	2,028,722
Deferred tax liabilities	21	6,004	4,278
Other liabilities	30	921,095	929,215
TOTAL LIABILITIES		48,179,055	44,834,480
EQUITY			
Equity attributable to equity holders of the parent company			
Share capital	31	356,407	356,407
Other equity instruments	32	364,344	324,344
Preference shares		134,614	134,614
Perpetual bonds		229,730	189,730
Reserves	33	1,274,634	1,275,004
Retained profits		2,119,307	2,014,086
		4,114,692	3,969,841
Non-controlling interests		24,184	17,425
TOTAL EQUITY		4,138,876	3,987,266
TOTAL EQUITY AND LIABILITIES		52,317,931	48,821,746

Liao Lin
Chairman

Liu Jun
Vice Chairman and President

Xu Zhisheng
Person in charge of Finance
and Accounting Department

The accompanying notes form part of these financial statements.

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2025
(In RMB millions, unless otherwise stated)

	Attributable to equity holders of the parent company											Non-controlling interests	Total equity	
	Reserves													
	Share capital	Other equity instruments	Capital reserve	Surplus reserve	General reserve	Investment revaluation reserve	Foreign currency translation reserve	Cash flow hedging reserve	Other reserves	Subtotal	Retained profits			
												Total		
Balance as at 1 January 2025	356,407	324,344	148,234	464,365	614,816	76,965	(6,092)	(4,181)	(19,103)	1,275,004	2,014,086	3,969,841	17,425	3,987,266
Profit for the period	-	-	-	-	-	-	-	-	-	-	168,103	168,103	700	168,803
Other comprehensive income	-	-	-	-	-	1,699	(1,548)	1,685	(2,484)	(648)	-	(648)	(1,060)	(1,708)
Total comprehensive income	-	-	-	-	-	1,699	(1,548)	1,685	(2,484)	(648)	168,103	167,455	(360)	167,095
Dividends - ordinary shares (i) (Note 11)	-	-	-	-	-	-	-	-	-	-	(58,664)	(58,664)	-	(58,664)
Distributions to other equity instrument holders (Note 11)	-	-	-	-	-	-	-	-	-	-	(3,669)	(3,669)	(27)	(3,696)
Appropriation to surplus reserve (ii)	-	-	-	411	-	-	-	-	-	411	(411)	-	-	-
Appropriation to general reserve (iii)	-	-	-	-	322	-	-	-	-	322	(322)	-	-	-
Capital injection by non-controlling shareholders	-	40,000	(1)	-	-	-	-	-	-	(1)	-	39,999	7,000	46,999
Dividends to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	-	(219)	(219)
Other comprehensive income transferred to retained earnings	-	-	-	-	-	(184)	-	-	-	(184)	184	-	-	-
Others	-	-	(270)	-	-	-	-	-	-	(270)	-	(270)	365	95
Balance as at 30 June 2025 (unaudited)	356,407	364,344	147,963	464,776	615,138	78,480	(7,640)	(2,496)	(21,587)	1,274,634	2,119,307	4,114,692	24,184	4,138,876

(i) Are year-end dividends on ordinary shares of RMB58,664 million for 2024.

(ii) Includes the appropriation to surplus reserve made by overseas branches and subsidiaries in the amounts of RMB144 million and RMB267 million, respectively.

(iii) Includes the appropriation to general reserve made by overseas branches and subsidiaries in the amounts of RMB12 million and RMB310 million, respectively.

The accompanying notes form part of these financial statements.

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2025
(In RMB millions, unless otherwise stated)

	Attributable to equity holders of the parent company											Non-controlling interests	Total equity	
	Reserves													
	Share capital	Other equity instruments	Capital reserve	Surplus reserve	General reserve	Investment revaluation reserve	Foreign currency translation reserve	Cash flow hedging reserve	Other reserves	Subtotal	Retained profits			Total
Balance as at 1 January 2024	356,407	354,331	148,270	428,359	561,637	24,047	(15,608)	(2,901)	(9,722)	1,134,082	1,912,067	3,756,887	19,701	3,776,588
Profit for the period	-	-	-	-	-	-	-	-	-	-	170,467	170,467	829	171,296
Other comprehensive income	-	-	-	-	-	25,391	9,174	(491)	(5,014)	29,060	-	29,060	(311)	28,749
Total comprehensive income	-	-	-	-	-	25,391	9,174	(491)	(5,014)	29,060	170,467	199,527	518	200,045
Dividends – ordinary shares 2023 final (Note 11)	-	-	-	-	-	-	-	-	-	-	(109,203)	(109,203)	-	(109,203)
Distributions to other equity instrument holders (Note 11)	-	-	-	-	-	-	-	-	-	-	(3,662)	(3,662)	-	(3,662)
Appropriation to surplus reserve (i)	-	-	-	450	-	-	-	-	-	450	(450)	-	-	-
Appropriation to general reserve (ii)	-	-	-	-	542	-	-	-	-	542	(542)	-	-	-
Capital injection by other equity instrument holders	-	-	-	-	-	-	-	-	-	-	-	-	872	872
Dividends to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	-	(116)	(116)
Other comprehensive income transferred to retained earnings	-	-	-	-	-	(34)	-	-	-	(34)	34	-	-	-
Others	-	-	(23)	-	-	-	-	-	-	(23)	-	(23)	-	(23)
Balance as at 30 June 2024 (unaudited)	356,407	354,331	148,247	428,809	562,179	49,404	(6,434)	(3,392)	(14,736)	1,164,077	1,968,711	3,843,526	20,975	3,864,501

- (i) Includes the appropriation to surplus reserve made by overseas branches and subsidiaries in the amounts of RMB98 million and RMB352 million, respectively.
(ii) Includes the appropriation to general reserve made by overseas branches and subsidiaries in the amounts of RMB271 million and RMB271 million, respectively.

The accompanying notes form part of these financial statements.

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2025
(In RMB millions, unless otherwise stated)

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

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

The accompanying notes form part of these financial statements.

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2025
(In RMB millions, unless otherwise stated)

		Six months ended 30 June	
	Notes	2025 (unaudited)	2024 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		199,008	197,184
Adjustments for:			
Share of results of associates and joint ventures		(3,025)	(2,462)
Depreciation		14,024	14,539
Amortisation	8	2,568	2,379
Credit impairment losses	9	104,007	101,809
Impairment losses on other assets		522	260
Unrealised gains on foreign exchange		(22,274)	(21,800)
Interest expense on debt securities issued		29,912	24,555
Accreted interest on impaired loans		(789)	(1,002)
Net gains on financial investments		(22,801)	(11,181)
Interest income on financial investments		(190,567)	(178,910)
Net losses/(gains) on changes in fair value		988	(8,399)
Net gains on stocktake and disposal of property and equipment and other assets (other than repossessed assets)		(548)	(785)
Dividend income	6	(1,937)	(1,310)
		<u>109,088</u>	<u>114,877</u>
Net decrease/(increase) in operating assets:			
Due from central banks		138,650	86,046
Due from banks and other financial institutions		(86,972)	(61,649)
Financial assets measured at fair value through profit or loss		(50,333)	(99,981)
Reverse repurchase agreements		(232,471)	(17,070)
Loans and advances to customers		(1,890,430)	(1,753,562)
Other assets		(84,622)	(117,173)
		<u>(2,206,178)</u>	<u>(1,963,389)</u>
Net increase/(decrease) in operating liabilities:			
Financial liabilities measured at fair value through profit or loss		32,445	8,797
Due to central banks		(8,364)	(13,126)
Due to banks and other financial institutions		597,431	709,186
Repurchase agreements		214,678	618,121
Certificates of deposit		4,076	18,610
Due to customers		2,162,206	590,735
Other liabilities		(76,095)	6,013
		<u>2,926,377</u>	<u>1,938,336</u>
Net cash flows from operating activities before taxation		829,287	89,824
Income tax paid		(42,970)	(62,841)
Net cash flows from operating activities		<u>786,317</u>	<u>26,983</u>

The accompanying notes form part of these financial statements.

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2025
(In RMB millions, unless otherwise stated)

	Note	Six months ended 30 June	
		2025 (unaudited)	2024 (unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property and equipment and other assets		(13,190)	(11,688)
Proceeds from disposal of property and equipment and other assets (other than repossessed assets)		5,456	5,131
Purchases of financial investments		(4,222,242)	(2,980,971)
Proceeds from sale and redemption of financial investments		2,843,165	2,018,161
Investments in associates and joint ventures		(2,172)	-
Proceeds from disposal of associates and joint ventures		176	1,064
Investment returns received		211,014	180,185
Cash receipts from other investing activities		121	-
Net cash flows from investing activities		(1,177,672)	(788,118)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of other equity instruments		47,000	872
Proceeds from issuance of debt securities		1,762,165	922,175
Interest paid on debt securities		(27,113)	(25,875)
Repayment of debt securities		(1,187,909)	(706,644)
Dividends paid on ordinary shares		(51,109)	-
Dividends or interest paid to other equity instrument holders		(3,696)	(3,662)
Dividends paid to non-controlling shareholders		(99)	(116)
Cash payment for other financing activities		(2,911)	(3,946)
Net cash flows from financing activities		536,328	182,804
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		144,973	(578,331)
Cash and cash equivalents at beginning of the period		2,290,404	2,755,732
Effect of exchange rate changes on cash and cash equivalents		(3,467)	4,747
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	35	2,431,910	2,182,148
NET CASH FLOWS FROM OPERATING ACTIVITIES INCLUDE:			
Interest received		507,712	566,024
Interest paid		(396,230)	(397,724)

The accompanying notes form part of these financial statements.

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

1. CORPORATE INFORMATION

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

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

The Bank’s stock codes of A Shares and H Shares listed on Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited are 601398 and 1398, respectively. The Bank’s offshore preference shares are listed on The Stock Exchange of Hong Kong Limited and the stock code is 4620. The Bank’s domestic preference shares are listed on Shanghai Stock Exchange and the stock codes are 360011 and 360036.

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

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

(1) Basis of preparation

The interim financial information has been prepared in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. It was approved by the Board of Directors on 29 August 2025.

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

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(1) Basis of preparation (continued)

The interim financial information and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs"), and should be read in conjunction with the Group's last annual financial statements for the year ended 31 December 2024.

The interim financial information has been reviewed by Ernst & Young in accordance with International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" issued by the International Auditing and Assurance Standards Board.

(2) Application of amendments to IFRSs

In the current interim period, the Group has applied the following amendments to IFRSs issued by the IASB which are mandatorily effective for the annual periods beginning on or after 1 January 2025 for the preparation of the interim financial information:

— Amendments to IAS 21: *Lack of Exchangeability*

The adoption of the above-mentioned amendments to IFRSs has had no material impact on the financial position and financial performance of the Group.

(3) Material accounting policy information

The interim financial information has been prepared under the historical cost convention, except for certain financial instruments and certain non-financial assets measured at fair value.

Other than the application of the amendments to IFRSs mentioned above, the accounting policies and methods of computation used in the interim financial information are the same as those presented in the Group's annual financial statements for the year ended 31 December 2024.

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

2. BASIS OF PREPARATION (CONTINUED)

(4) Accounting judgements and estimates

The preparation of the interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and estimation uncertainty were the same as those applied in the preparation of the financial statements for the year ended 31 December 2024.

3. NET INTEREST INCOME

	Six months ended 30 June	
	2025	2024
Interest income on:		
Loans and advances to customers	426,672	476,198
Corporate loans and advances	277,754	302,965
Personal loans	139,207	164,684
Discounted bills	9,711	8,549
Financial investments	190,567	178,910
Due from central banks	25,685	27,068
Due from banks and other financial institutions (i)	30,679	38,877
	<u>673,603</u>	<u>721,053</u>
Interest expense on:		
Due to customers	(247,503)	(298,566)
Due to banks and other financial institutions (ii)	(74,092)	(74,688)
Debt securities issued and certificates of deposit	(38,432)	(33,849)
	<u>(360,027)</u>	<u>(407,103)</u>
Net interest income	<u>313,576</u>	<u>313,950</u>

(i) Includes interest income on reverse repurchase agreements.

(ii) Includes interest expense on due to central banks and repurchase agreements.

The above interest income and expense are related to financial instruments which are not measured at fair value through profit or loss.

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

4. NET FEE AND COMMISSION INCOME

	Six months ended 30 June	
	2025	2024
Fee and commission income on:		
Settlement, clearing and cash management	23,216	26,163
Investment banking business	14,775	14,835
Personal wealth management and private banking services	9,990	10,281
Bank card business	8,823	9,145
Corporate wealth management services	7,212	5,794
Asset custody service	4,274	4,118
Guarantee and commitment business	2,336	2,978
Trust and agency services	1,463	1,435
Others	2,073	1,624
	<u>74,162</u>	<u>76,373</u>
Fee and commission expense	(7,142)	(8,968)
Net fee and commission income	<u>67,020</u>	<u>67,405</u>

Included in personal wealth management and private banking services, corporate wealth management services, asset custody business and trust and agency services above is an amount of RMB9,034 million with respect to trust and other fiduciary activities for the six months ended 30 June 2025 (six months ended 30 June 2024: RMB8,636 million).

5. NET TRADING INCOME

	Six months ended 30 June	
	2025	2024
Debt securities	4,638	6,515
Derivatives and others	1,484	2,398
Equity investments	1,491	699
	<u>7,613</u>	<u>9,612</u>

The above amounts mainly include gains and losses arising from the buying and selling of, the interest income and expense on, and the changes in fair value of financial assets and liabilities held for trading.

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

6. NET GAINS ON FINANCIAL INVESTMENTS

	Six months ended 30 June	
	2025	2024
Net gains on financial instruments measured at FVTPL, including:		
Net losses on financial instruments designated as at FVTPL	3,610	8,914
Net gains on disposal of financial instruments measured at FVTOCI	(1,819)	(1,597)
Dividend income from equity investments designated as at FVTOCI, including:		
Derecognised during the period	2,713	2,517
Held at the end of current period	1,937	1,310
Net gains on disposal of financial instruments measured at amortised cost	156	140
Others	1,781	1,170
	10,025	1,945
	9	58
	<u>18,294</u>	<u>14,744</u>

7. OTHER OPERATING INCOME/(EXPENSE), NET

	Six months ended 30 June	
	2025	2024
Net operating lease business income	5,225	5,457
Net insurance business expense	(2,732)	(3,887)
Net gains on disposal of property and equipment, repossessed assets and other assets	581	816
Net losses from foreign exchange and foreign exchange products	(498)	(5,543)
Others	3	(555)
	<u>2,579</u>	<u>(3,712)</u>

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

8. OPERATING EXPENSES

	Six months ended 30 June	
	2025	2024
Staff costs:		
Salaries and bonuses	42,032	42,130
Staff benefits	12,321	11,746
Post-employment benefits – defined contribution plans (i)	9,810	9,441
	<u>64,163</u>	<u>63,317</u>
Property and equipment expenses:		
Depreciation charge for property and equipment	7,373	7,573
Depreciation charge for right-of-use assets and other leasing expense	3,524	3,576
Repairs and maintenance charges	1,328	1,047
Utility expenses	931	946
	<u>13,156</u>	<u>13,142</u>
Amortisation	2,568	2,379
Other administrative expenses	10,860	10,415
Taxes and surcharges	5,199	5,550
Others	12,624	10,405
	<u>108,570</u>	<u>105,208</u>

- (i) The defined contribution plans mainly include pension insurance, unemployment insurance and the annuity plan.
- (ii) For the six months ended 30 June 2025, the Group incurred RMB2,458 million (six months ended 30 June 2024: RMB2,136 million) of expensed research and development expenditures and RMB907 million (six months ended 30 June 2024: RMB569 million) of capitalized research and development expenditures.

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

9. CREDIT IMPAIRMENT LOSSES

	Six months ended 30 June	
	2025	2024
Loans and advances to customers (Note 17)	102,215	94,526
Financial investments		
Financial investments measured at amortised cost	(112)	1,113
Financial assets measured at FVTOCI	(1)	655
Credit commitments	989	1,246
Others	916	4,269
	<u>104,007</u>	<u>101,809</u>

10. INCOME TAX EXPENSE

(a) Income tax expense

	Six months ended 30 June	
	2025	2024
Current income tax expense		
Chinese mainland	31,020	22,443
Hong Kong SAR and Macao SAR	936	730
Other overseas jurisdictions	2,750	2,233
	34,706	25,406
Deferred income tax expense	(4,501)	482
	<u>30,205</u>	<u>25,888</u>

In December 2021, the Organisation for Economic Co-operation and Development published Tax Challenges Arising from the Digitalisation of the Economy – Global Anti-Base Erosion Model Rules (“Pillar Two Model Rules”). According to the rules of Pillar Two, low-tax jurisdictions with effective tax rate below 15% may have a Top-up Tax impact.

Some of jurisdictions where the Group’s overseas entities are located, had implemented Pillar Two legislation during the reporting period. The Group has assessed the impact of Top-up Tax under Pillar Two. The legislation in the aforementioned jurisdictions has no significant impact on the Group's financial position and operating results as at 30 June 2025. The Group has adopted amendments to IAS 12 on Pillar Two Model Rules. Therefore, the Group does not recognise deferred tax assets and liabilities related to Pillar Two and does not disclose relevant information.

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

10. INCOME TAX EXPENSE (CONTINUED)

(b) Reconciliation between income tax and accounting profit

PRC statutory income tax rate is 25%. Taxes on profits assessable elsewhere have been calculated at the applicable rates of tax prevailing in the countries/regions in which the Group operates in. The Group has reconciled income tax expense applicable to profit before taxation at the PRC statutory income tax rate to actual income tax expense for the Group as follows:

	Six months ended 30 June	
	2025	2024
Profit before taxation	199,008	197,184
Tax at the PRC statutory income tax rate	49,752	49,296
Effects of different applicable rates of tax prevailing in other countries/regions	(310)	(288)
Effects of non-deductible expenses (i)	18,635	12,565
Effects of non-taxable income (ii)	(36,705)	(34,607)
Effects of profits attributable to associates and joint ventures	(281)	(194)
Effects of other	(886)	(884)
Income tax expense	30,205	25,888

- (i) The non-deductible expenses mainly represent non-deductible impairment allowance and write-offs.
- (ii) The non-taxable income mainly represents interest income arising from the PRC government bonds and municipal debts.

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

11. DIVIDENDS

	Six months ended 30 June	
	2025	2024
Dividends on ordinary shares declared and paid or proposed:		
Dividends on ordinary shares for		
2024:RMB0.3080 per share		
(2023:RMB0.3064 per share)	<u>109,773</u>	<u>109,203</u>
Dividends or interests declared and paid to other equity instrument holders:		
Interests on perpetual bonds distributed	<u>3,669</u>	<u>3,662</u>

Upon the approval at the Annual General Meeting for the Year 2024 held on 27 June 2025, the Bank declared and distributed year-end cash dividends for 2024 of RMB58,664 million, or RMB0.1646 per share (pre-tax) which have been paid on July 2024, to the ordinary shareholders registered after the close of market on 11 July 2025.

12. EARNINGS PER SHARE

	Six months ended 30 June	
	2025	2024
Earnings:		
Profit for the period attributable to equity holders of the parent company	168,103	170,467
Less: Profit for the period attributable to other equity instrument holders of the parent company	<u>(3,669)</u>	<u>(3,662)</u>
Profit for the period attributable to ordinary shareholders of the parent company	<u>164,434</u>	<u>166,805</u>
Shares:		
Weighted average number of ordinary shares in issue (in million shares)	<u>356,407</u>	<u>356,407</u>
Basic earnings per share (RMB yuan)	<u>0.46</u>	<u>0.47</u>
Diluted earnings per share (RMB yuan)	<u>0.46</u>	<u>0.47</u>

Basic and diluted earnings per share were calculated using the profit for the period attributable to ordinary shareholders of the parent company divided by the weighted average number of ordinary shares in issue.

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

13. CASH AND BALANCES WITH CENTRAL BANKS

	30 June 2025	31 December 2024
Cash on hand	68,396	72,069
Balances with central banks		
Mandatory reserves (i)	2,454,105	2,634,893
Surplus reserves (ii)	268,574	393,112
Fiscal deposits and others	263,317	221,179
Accrued interest	1,380	1,658
	<u>3,055,772</u>	<u>3,322,911</u>

- (i) The Group is required to place mandatory reserve deposits and other restricted deposits with the PBOC and certain central banks of overseas countries or regions where it has operations. They are not available for use in the Group's daily operations. As at 30 June 2025, the mandatory reserve deposits ratios of the domestic branches of the Bank in respect of customer deposits denominated in RMB and foreign currencies were 7.5% (31 December 2024: 8.0%) and 4.0% (31 December 2024: 4.0%) respectively. The mandatory reserve funds placed by domestic subsidiaries of the Group are determined by the PBOC. The amounts of mandatory reserve deposits placed with the central banks of those countries or regions outside Chinese mainland are determined by local jurisdictions.
- (ii) Surplus reserves with the PBOC include funds for the purpose of cash settlement and other kinds of unrestricted deposits.

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

14. DUE FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	30 June 2025	31 December 2024
Deposits with banks and other financial institutions:		
Banks operating in Chinese mainland	229,546	247,111
Other financial institutions operating in Chinese mainland	113,188	58,112
Banks and other financial institutions operating outside Chinese mainland	186,673	172,465
Accrued interest	4,214	3,777
	<u>533,621</u>	<u>481,465</u>
Less: Allowance for impairment losses	(572)	(700)
	<u>533,049</u>	<u>480,765</u>
Placements with banks and other financial institutions:		
Banks operating in Chinese mainland	183,304	190,427
Other financial institutions operating in Chinese mainland	223,882	221,474
Banks and other financial institutions operating outside Chinese mainland	303,472	323,836
Accrued interest	6,986	7,021
	<u>717,644</u>	<u>742,758</u>
Less: Allowance for impairment losses	(3,256)	(3,647)
	<u>714,388</u>	<u>739,111</u>
	<u>1,247,437</u>	<u>1,219,876</u>

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

15. DERIVATIVE FINANCIAL INSTRUMENTS

A derivative is a financial instrument, the value of which changes in response to the changes in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other similar variables. The Group uses derivative financial instruments including forwards, swaps, options and futures.

The notional amount of a derivative represents the underlying amount of the specific financial instruments mentioned above. It indicates the volume of business transacted by the Group but does not reflect the risk.

The notional amounts and fair values of derivative financial instruments held by the Group are set out below:

	30 June 2025			31 December 2024		
	Notional amounts	Fair values		Notional amounts	Fair values	
		Assets	Liabilities		Assets	Liabilities
Exchange rate contracts	13,613,466	99,504	(66,125)	11,227,428	194,358	(158,566)
Interest rate contracts	4,849,342	9,520	(10,445)	5,312,282	13,114	(15,019)
Commodity derivatives and others	1,952,356	19,205	(38,648)	1,347,756	14,889	(24,210)
	<u>20,415,164</u>	<u>128,229</u>	<u>(115,218)</u>	<u>17,887,466</u>	<u>222,361</u>	<u>(197,795)</u>

(a) Cash flow hedges

The Group's cash flow hedges consist of interest rate swap contracts, currency swap contracts, equity and other derivatives that are used to protect against exposures to variability of future cash flows.

Included in the above derivative financial instruments, those designated as hedging instruments in the Group's cash flow hedges are set out below:

	30 June 2025						
	Notional amounts with remaining maturity of					Fair values	
	Within three months	Over three months but within one year	Over one year but within five years	Over five years	Total	Assets	Liabilities
Interest rate swap contracts	931	48	-	104	1,083	5	-
Currency swap contracts	72,684	24,588	1,170	-	98,442	301	(478)
Equity and other derivatives	7,472	6,402	44	-	13,918	1,893	(193)
	<u>81,087</u>	<u>31,038</u>	<u>1,214</u>	<u>104</u>	<u>113,443</u>	<u>2,199</u>	<u>(671)</u>
	31 December 2024						
	Notional amounts with remaining maturity of					Fair values	
	Within three months	Over three months but within one year	Over one year but within five years	Over five years	Total	Assets	Liabilities
Interest rate swap contracts	-	949	-	-	949	13	-
Currency swap contracts	53,203	82,784	4,645	-	140,632	2,213	(1,203)
Equity and other derivatives	38	1,900	58	1	1,997	258	(3)
	<u>53,241</u>	<u>85,633</u>	<u>4,703</u>	<u>1</u>	<u>143,578</u>	<u>2,484</u>	<u>(1,206)</u>

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

15. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

(a) Cash flow hedges (continued)

Details of the Group's hedged risk exposures in cash flow hedges and the corresponding effect on equity are as follows:

30 June 2025				
	Carrying amount of hedged items		Hedging instruments	
	Assets	Liabilities	Effect on other comprehensive income during the current period	Accumulated effect on other comprehensive income
Securities (i)	201	(16,073)	761	470
Loans and advances to customers	56,467	-	(155)	(23)
Others (ii)	23,741	(16,730)	1,335	(2,819)
	<u>80,409</u>	<u>(32,803)</u>	<u>1,941</u>	<u>(2,372)</u>

- (i) Securities are included in financial investments measured at FVTOCI and certificates of deposit.
- (ii) Other hedged items are included in due from banks and other financial institutions, cash and balances with central banks, other assets, due to banks and other financial institutions, due to customers and other liabilities.

31 December 2024				
	Carrying amount of hedged items		Hedging instruments	
	Assets	Liabilities	Effect on other comprehensive income during the current year	Accumulated effect on other comprehensive income
Securities (i)	1,091	(47,818)	(884)	(291)
Loans and advances to customers	41,479	-	(37)	132
Others (ii)	35,349	(16,733)	(524)	(4,154)
	<u>77,919</u>	<u>(64,551)</u>	<u>(1,445)</u>	<u>(4,313)</u>

- (i) Securities are included in financial investments measured at FVTOCI, financial investments measured at amortised cost, debt securities issued and certificates of deposit.
- (ii) Other hedged items are included in due from banks and other financial institutions, other assets, due to banks and other financial institutions, due to customers, repurchase agreements and other liabilities.

The ineffectiveness recognised in profit or loss that arises from the cash flow hedges was immaterial for the six months ended in 2025 and 2024.

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

15. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair value hedges

Fair value hedges are used by the Group to protect against changes in fair value of financial assets and financial liabilities due to movements in market interest rates and exchange rates. The Group mainly used interest rate swaps and cross currency swaps as hedging instruments to hedge the interest risk and exchange risk of financial assets and financial liabilities.

The changes in fair value of the hedging instruments and net gains or losses arising from the hedged risk relating to the hedged items are set out below:

	Six months ended 30 June	
	2025	2024
(Losses)/gains arising from fair value hedges, net:		
Hedging instruments	(702)	496
Hedged items	653	(566)
	<u>(49)</u>	<u>(70)</u>

Included in the above derivative financial instruments, those designated as hedging instruments in fair value hedges are interest rate swaps and cross currency swaps, the details are set out below:

30 June 2025							
Notional amounts with remaining maturity of						Fair values	
	Within three months	Over three months but within one year	Over one year but within five years	Over five years	Total	Assets	Liabilities
Interest rate contracts	2,213	9,803	35,782	6,074	53,872	1,238	(403)
Exchange rate contracts	4,971	4,207	8,038	-	17,216	446	(108)
Total	7,184	14,010	43,820	6,074	71,088	1,684	(511)

31 December 2024							
Notional amounts with remaining maturity of						Fair values	
	Within three months	Over three months but within one year	Over one year but within five years	Over five years	Total	Assets	Liabilities
Interest rate contracts	2,362	11,249	34,319	10,692	58,622	2,083	(256)
Total	2,362	11,249	34,319	10,692	58,622	2,083	(256)

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(In RMB millions, unless otherwise stated)

15. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair value hedges (continued)

Details of the Group's hedged risk exposures in fair value hedges are set out below:

	30 June 2025			
	Carrying amount of hedged items		Accumulated changes to the fair value of hedged items	
	Assets	Liabilities	Assets	Liabilities
Securities (i)	51,159	(17,773)	(883)	(347)
Loans and advances to customers	895	-	17	-
Others (ii)	-	(353)	-	6
	<u>52,054</u>	<u>(18,126)</u>	<u>(866)</u>	<u>(341)</u>

- (i) Securities are included in financial investments measured at FVTOCI, financial investments measured at amortised cost, debt securities issued and certificates of deposit.
- (ii) Other hedged items are included in due to banks and other financial institutions and due to customers.

	31 December 2024			
	Carrying amount of hedged items		Accumulated changes to the fair value of hedged items	
	Assets	Liabilities	Assets	Liabilities
Securities (i)	50,613	(1,276)	(359)	26
Loans and advances to customers	2,825	-	(56)	-
Others (ii)	182	(2,531)	1	13
	<u>53,620</u>	<u>(3,807)</u>	<u>(414)</u>	<u>39</u>

- (i) Securities are included in financial investments measured at FVTOCI, financial investments measured at amortised cost and debt securities issued.
- (ii) Other hedged items are included in due from banks and other financial institutions, due to banks and other financial institutions and due to customers.

(c) Net investment hedges

The Group's consolidated statement of financial position is affected by exchange differences between the functional currency of the Bank and functional currencies of its branches and subsidiaries. The Group hedges such exchange exposures under certain circumstances. Hedging is undertaken by using customer deposits taken in the same currencies as the functional currencies of related branches and subsidiaries which are accounted for as hedges of certain net investments in foreign operations.

As at 30 June 2025, an accumulated net losses from the hedging instrument of RMB1,357 million was recognised in other comprehensive income (31 December 2024: accumulated net losses of RMB1,587 million). The ineffectiveness recognised in profit or loss that arises from the net investment hedges was immaterial for the six months ended in 2025 and 2024.

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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15. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

(d) Offsetting of financial instruments

In accordance with the principle of offsetting financial instruments, the Group offsets certain derivative financial assets, derivative financial liabilities and variation margin and presents the net amounts after offsetting in the financial statements.

	30 June 2025		31 December 2024	
	Gross amounts	Net amounts	Gross amounts	Net amounts
Derivative financial assets	84,082	27,752	83,641	25,144
Derivative financial liabilities	84,316	30,044	83,971	27,845

(e) Counterparty credit risk-weighted assets of derivative financial instruments

The credit risk-weighted assets in respect of the above derivatives of the Group as at the end of the reporting period are as follows:

	30 June 2025	31 December 2024
Counterparty credit default risk-weighted assets	139,635	117,495
Including: Non-netting settled credit default risk-weighted assets	75,875	69,662
Netting settled credit default risk-weighted assets	63,760	47,833
Credit value adjustment risk-weighted assets	47,397	42,112
Central counterparties credit risk-weighted assets	4,099	3,667
	<u>191,131</u>	<u>163,274</u>

16. REVERSE REPURCHASE AGREEMENTS

	30 June 2025	31 December 2024
Measured at amortised cost:		
Reverse repurchase agreements-bills	193,316	188,935
Reverse repurchase agreements-securities	1,560,081	1,000,277
Accrued interest	1,127	721
Less: Allowance for impairment losses	(221)	(33)
	<u>1,754,303</u>	<u>1,189,900</u>
Measured at FVTPL:		
Reverse repurchase agreements-securities	18,361	20,317
	<u>1,772,664</u>	<u>1,210,217</u>

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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17. LOANS AND ADVANCES TO CUSTOMERS

17.1 Loans and advances to customers by type of measurement:

	30 June 2025	31 December 2024
Measured at amortised cost:		
Corporate loans and advances	18,801,000	17,460,342
— Loans	18,630,654	17,289,398
— Finance lease	170,346	170,944
Personal loans	9,167,362	8,957,720
Discounted bills	3,295	1,351
Accrued interest	56,774	56,447
	<u>28,028,431</u>	<u>26,475,860</u>
Less: Allowance for impairment losses on loans and advances to customers measured at amortised cost (Note 17.2(a))	<u>(870,693)</u>	<u>(815,072)</u>
	<u>27,157,738</u>	<u>25,660,788</u>
Measured at FVTOCI:		
Corporate loans and advances		
— Loans	20,820	16,876
Discounted bills	2,185,472	1,930,935
Accrued interest	147	177
	<u>2,206,439</u>	<u>1,947,988</u>
Measured at FVTPL:		
Corporate loans and advances		
— Loans	7,710	5,005
	<u>29,371,887</u>	<u>27,613,781</u>

As at 30 June 2025, the Group's allowance for impairment losses on loans and advances to customers measured at FVTOCI was RMB371 million (31 December 2024: RMB425 million), refer to Note 17.2(b).

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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17. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

17.2 Allowance for impairment losses on loans and advances

(a) Movements of the allowance for impairment losses on loans and advances to customers measured at amortised cost are as follows:

	Stage 1 (12-month expected credit loss ("ECL"))	Stage 2 (Lifetime ECL not credit- impaired)	Stage 3 (Lifetime ECL credit- impaired)	Total
Balance at 1 January 2025	354,083	156,502	304,487	815,072
Transfer:				
— to stage 1	21,422	(18,787)	(2,635)	-
— to stage 2	(7,249)	12,339	(5,090)	-
— to stage 3	(3,432)	(21,425)	24,857	-
Charge for the period	40,300	26,256	35,721	102,277
Write-offs and transfer out	-	-	(51,001)	(51,001)
Recoveries of loans and advances previously written off	-	-	6,058	6,058
Other movements	(141)	(249)	(1,323)	(1,713)
Balance at 30 June 2025	<u>404,983</u>	<u>154,636</u>	<u>311,074</u>	<u>870,693</u>
	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2024	342,730	156,240	257,031	756,001
Transfer:				
— to stage 1	20,221	(16,982)	(3,239)	-
— to stage 2	(11,518)	15,804	(4,286)	-
— to stage 3	(5,101)	(24,282)	29,383	-
Charge for the year	6,808	21,323	94,312	122,443
Write-offs and transfer out	-	-	(85,127)	(85,127)
Recoveries of loans and advances previously written off	-	-	13,856	13,856
Other movements	943	4,399	2,557	7,899
Balance at 31 December 2024	<u>354,083</u>	<u>156,502</u>	<u>304,487</u>	<u>815,072</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(In RMB millions, unless otherwise stated)

17. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

17.2 Allowance for impairment losses on loans and advances (continued)

(b) Movements of the allowance for impairment losses on loans and advances to customers measured at FVTOCI are as follows:

	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2025	353	51	21	425
Transfer:				
— to stage 1	-	-	-	-
— to stage 2	-	-	-	-
— to stage 3	-	-	-	-
(Reverse)/charge for the period	(35)	(29)	2	(62)
Write-offs and transfer out	-	-	-	-
Other movements	9	(1)	-	8
Balance at 30 June 2025	<u>327</u>	<u>21</u>	<u>23</u>	<u>371</u>
	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2024	361	-	29	390
Transfer:				
— to stage 1	-	-	-	-
— to stage 2	(4)	4	-	-
— to stage 3	-	-	-	-
(Reverse)/charge for the year	(1)	46	(9)	36
Write-offs and transfer out	-	-	-	-
Other movements	(3)	1	1	(1)
Balance at 31 December 2024	<u>353</u>	<u>51</u>	<u>21</u>	<u>425</u>

18. FINANCIAL INVESTMENTS

		30 June 2025	31 December 2024
Financial investments measured at FVTPL	(a)	956,846	1,010,439
Financial investments measured at FVTOCI	(b)	4,016,365	3,291,152
Financial investments measured at amortised cost	(c)	<u>10,595,217</u>	<u>9,851,985</u>
		<u>15,568,428</u>	<u>14,153,576</u>

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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18. FINANCIAL INVESTMENTS (CONTINUED)

(a) Financial investments measured at FVTPL

	30 June 2025	31 December 2024
Financial investments held for trading		
Debt securities (analysed by type of issuers):		
Governments and central banks	376,025	395,728
Policy banks	42,688	27,272
Banks and other financial institutions	120,285	73,431
Corporate entities	77,203	67,721
	<u>616,201</u>	<u>564,152</u>
Equity investments	18,687	18,048
Funds and other investments	6,000	-
	<u>640,888</u>	<u>582,200</u>
Financial investments designated as at FVTPL		
Debt securities (analysed by type of issuers):		
Governments and central banks	5,528	6,904
Policy banks	2,281	-
Banks and other financial institutions	-	184
Corporate entities	558	653
	<u>8,367</u>	<u>7,741</u>
Funds and other investments	32,506	34,735
	<u>40,873</u>	<u>42,476</u>
Other financial investments measured at FVTPL		
Debt securities (analysed by type of issuers):		
Policy banks	421	8,416
Banks and other financial institutions	47,524	156,979
Corporate entities	1,399	1,693
	<u>49,344</u>	<u>167,088</u>
Equity investments	97,596	93,719
Funds and other investments	128,145	124,956
	<u>275,085</u>	<u>385,763</u>
	<u>956,846</u>	<u>1,010,439</u>
Analysed into:		
Debt securities:		
Listed in Hong Kong SAR	3,420	4,375
Listed outside Hong Kong SAR	34,555	29,227
Unlisted	635,937	705,379
	<u>673,912</u>	<u>738,981</u>

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

18. FINANCIAL INVESTMENTS (CONTINUED)

(a) Financial investments measured at FVTPL (continued)

Analysed into: (continued)	30 June 2025	31 December 2024
Equity investments:		
Listed in Hong Kong SAR	4,984	3,582
Listed outside Hong Kong SAR	24,244	24,348
Unlisted	87,055	83,837
	<u>116,283</u>	<u>111,767</u>
Funds and other investments:		
Listed in Hong Kong SAR	5,152	4,913
Listed outside Hong Kong SAR	4,976	5,791
Unlisted	156,523	148,987
	<u>166,651</u>	<u>159,691</u>
	<u>956,846</u>	<u>1,010,439</u>

(b) Financial investments measured at FVTOCI

	30 June 2025	31 December 2024
Debt securities (analysed by type of issuers):		
Governments and central banks	1,804,533	1,673,679
Policy banks	797,328	512,411
Banks and other financial institutions	610,473	398,174
Corporate entities	664,287	588,449
Accrued interest	35,159	27,787
	<u>3,911,780</u>	<u>3,200,500</u>
Other debt investments	5,520	5,426
Equity investments	99,065	85,226
	<u>4,016,365</u>	<u>3,291,152</u>
Analysed into:		
Debt securities:		
Listed in Hong Kong SAR	120,660	146,519
Listed outside Hong Kong SAR	428,388	389,928
Unlisted	3,362,732	2,664,053
	<u>3,911,780</u>	<u>3,200,500</u>
Other debt investments:		
Unlisted	5,520	5,426
Equity investments:		
Listed in Hong Kong SAR	21,979	11,398
Listed outside Hong Kong SAR	8,572	4,899
Unlisted	68,514	68,929
	<u>99,065</u>	<u>85,226</u>
	<u>4,016,365</u>	<u>3,291,152</u>

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18. FINANCIAL INVESTMENTS (CONTINUED)

(b) Financial investments measured at FVTOCI (continued)

As at 30 June 2025, the accumulated unrealized profit of the Group's debt securities and other debt investments measured at FVTOCI was RMB94,236 million and RMB26 million (31 December 2024: the accumulated unrealized profit of RMB92,821 million and RMB31 million).

The Group designates certain non-trading equity investments as financial investments measured at FVTOCI. As at 30 June 2025, the cumulated fair value floating profit of equity investments was RMB10,018 million (31 December 2024: RMB8,184 million). For the six months ended 30 June 2025, dividend income from such equity investments was RMB1,937 million (six months ended 30 June 2024: RMB1,310 million). There was RMB156 million dividend income from equity investments derecognised (six months ended 30 June 2024: RMB140 million). The value of equity investments disposed of was RMB3,466 million (six months ended 30 June 2024: RMB2,496 million) and the cumulative gains transferred into retained earnings from other comprehensive income after disposal was RMB186 million (six months ended 30 June 2024: RMB35 million).

Allowance for impairment losses on financial investments measured at FVTOCI is recognised in other comprehensive income without decreasing the carrying amount of financial investments presented in the consolidated statement of financial position, and any impairment gain or loss is recognised in the profit or loss. Movements of the allowance for impairment losses on financial investments measured at FVTOCI are as follows:

	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2025	4,565	635	3,825	9,025
Transfer:				
— to stage 1	-	-	-	-
— to stage 2	-	-	-	-
— to stage 3	-	-	-	-
Charge/(reverse) for the period	209	(212)	2	(1)
Other movements	(6)	(34)	(69)	(109)
Balance at 30 June 2025	<u>4,768</u>	<u>389</u>	<u>3,758</u>	<u>8,915</u>
	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2024	4,835	964	3,769	9,568
Transfer:				
— to stage 1	-	-	-	-
— to stage 2	-	-	-	-
— to stage 3	-	-	-	-
Reverse for the year	(277)	(355)	(43)	(675)
Other movements	7	26	99	132
Balance at 31 December 2024	<u>4,565</u>	<u>635</u>	<u>3,825</u>	<u>9,025</u>

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

18. FINANCIAL INVESTMENTS (CONTINUED)

(c) Financial investments measured at amortised cost

	30 June 2025	31 December 2024
Debt securities (analysed by type of issuers):		
Governments and central banks (i)	9,209,747	8,379,953
Policy banks	472,995	549,266
Banks and other financial institutions (ii)	768,174	771,310
Corporate entities	68,826	68,060
Accrued interest	96,272	104,906
	<u>10,616,014</u>	<u>9,873,495</u>
Other investments (iii)	17,379	16,877
Accrued interest	45	16
	<u>17,424</u>	<u>16,893</u>
	<u>10,633,438</u>	<u>9,890,388</u>
Less: Allowance for impairment losses	(38,221)	(38,403)
	<u>10,595,217</u>	<u>9,851,985</u>
Analysed into:		
Debt securities:		
Listed in Hong Kong SAR	37,888	36,281
Listed outside Hong Kong SAR	190,668	233,832
Unlisted	10,352,135	9,568,021
	<u>10,580,691</u>	<u>9,838,134</u>
Other investments:		
Unlisted	14,526	13,851
	<u>14,526</u>	<u>13,851</u>
	<u>10,595,217</u>	<u>9,851,985</u>
Market value of listed securities	<u>229,746</u>	<u>269,046</u>

- (i) This includes a special government bond, which is a non-negotiable bond with a nominal value of RMB85,000 million (31 December 2024: RMB85,000 million) issued by the Ministry of Finance of the People's Republic of China (the "MOF") to the Bank in 1998. The bond will mature in 2028 and bears interest at a fixed rate of 2.25% per annum.
- (ii) This includes Huarong bonds of RMB90,309 million (31 December 2024: RMB90,309 million). Huarong bonds are a series of long-term bonds issued by the former China Huarong Asset Management Co., Ltd. ("Huarong") in the year of 2000 and 2001 to the Bank, with an aggregate amount of RMB312,996 million. The proceeds from the issuance of the bonds were used to purchase non-performing loans of the Bank. The bonds are non-negotiable, with a tenure of 10 years and bear interest at a fixed rate of 2.25% per annum. The MOF provides funding support for the repayment of principal and interest of the bonds. In 2010, the Bank received a notice from the MOF that the maturity dates of the Huarong bonds were extended for ten years. In 2020, the Bank received a notice from the MOF to adjust the interest rate of the Huarong bonds, starting from 1 January 2020. Interest rate would be determined on a yearly basis with reference to the average level of five-year government bond yield in the previous year. In January 2021, the Bank received a notice from the MOF that the maturity dates of Huarong bonds were further extended for ten years. As at 30 June 2025, the Bank had received accumulated early repayments amounting to RMB222,687 million (31 December 2024: RMB222,687 million).
- (iii) Other investments include debt investment plans, asset management plans and trust plans with fixed or determinable payments. They will mature from March 2026 to August 2039 and bear interest rates ranging from 2.90% to 4.83% per annum.

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18. FINANCIAL INVESTMENTS (CONTINUED)

(c) Financial investments measured at amortised cost (continued)

Movements of the allowance for impairment losses on financial investments measured at amortised cost are as follows:

	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2025	35,540	11	2,852	38,403
Transfer:				
— to stage 1	-	-	-	-
— to stage 2	(5)	5	-	-
— to stage 3	-	-	-	-
Charge/(reverse) for the period	42	(4)	(150)	(112)
Other movements	(68)	-	(2)	(70)
Balance at 30 June 2025	<u>35,509</u>	<u>12</u>	<u>2,700</u>	<u>38,221</u>
	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2024	36,009	11	2,699	38,719
Transfer:				
— to stage 1	-	-	-	-
— to stage 2	-	-	-	-
— to stage 3	-	-	-	-
Reverse for the year	(507)	-	-	(507)
Other movements	38	-	153	191
Balance at 31 December 2024	<u>35,540</u>	<u>11</u>	<u>2,852</u>	<u>38,403</u>

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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19. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	30 June 2025	31 December 2024
Interests in associates	75,441	71,072
Interests in joint ventures	<u>2,275</u>	<u>2,285</u>
	<u>77,716</u>	<u>73,357</u>

	30 June 2025	31 December 2024
Share of net assets	63,496	59,428
Goodwill	<u>14,739</u>	<u>14,448</u>
	78,235	73,876
Less: Allowance for impairment losses	<u>(519)</u>	<u>(519)</u>
	<u>77,716</u>	<u>73,357</u>

(a) Carrying value of the Group's associates and joint ventures are as follows:

	30 June 2025	31 December 2024
Standard Bank	28,669	26,946
Others	<u>49,047</u>	<u>46,411</u>
	<u>77,716</u>	<u>73,357</u>

Standard Bank is a listed commercial bank registered in Johannesburg, the Republic of South Africa with an issued capital of ZAR165 million and a strategic partner of the Group. As at 30 June 2025, the Group's equity interest and voting rights in Standard Bank were both 19.74% (31 December 2024: 19.59%).

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19. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

(a) Carrying value of the Group's associates and joint ventures are as follows: (continued)

The accounting policies of Standard Bank are consistent with those of the Group. Its financial information is significant to the Group and summarised as follows:

	As at/ six months ended 30 June 2025	As at/ year ended 31 December 2024
The associate		
Assets	1,374,286	1,271,730
Liabilities	1,252,307	1,157,892
Net assets	121,979	113,838
Profit from continuing operations	9,597	17,009
Equity method of the associate		
Net assets of the associate attributable to the parent company	103,933	97,422
Group's effective interest	19.74%	19.59%
Group's share of net assets of the associate	20,516	19,085
Goodwill	8,501	8,209
Closing balance of the Group's interest in Standard Bank in the consolidated statement of financial position	29,017	27,294

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(In RMB millions, unless otherwise stated)

19. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

(b) Movements of associates and joint ventures investments of the Group are as follows:

		Movements during the period							
	Balance at beginning of the period	Investment increase	Investment decrease	Investment income recognised under the equity method	Other comprehensive income	Declared Distribution of cash dividends or profits	Other	Balance at end of the period	Balance of allowance for impairment at end of the period
Joint ventures	2,285	172	(26)	2	-	(52)	(106)	2,275	-
Associates									
Standard Bank	27,294	-	-	1,838	(42)	(964)	891	29,017	(348)
Others	44,297	2,000	(160)	1,185	(9)	(451)	81	46,943	(171)
Subtotal	71,591	2,000	(160)	3,023	(51)	(1,415)	972	75,960	(519)
Total	73,876	2,172	(186)	3,025	(51)	(1,467)	866	78,235	(519)

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

20. PROPERTY AND EQUIPMENT

	Properties and buildings	Construction in progress	Leasehold improvements	Office equipment and motor vehicles	Aircraft and vessels	Total
Cost:						
At 1 January 2024	195,703	24,220	14,980	83,758	203,773	522,434
Additions	1,383	10,449	811	7,142	17,701	37,486
CIP transfer in/(out)	3,291	(6,099)	-	121	2,687	-
Disposals and other movements	7,099	(7,418)	(87)	(3,401)	(8,939)	(12,746)
At 31 December 2024 and 1 January 2025	207,476	21,152	15,704	87,620	215,222	547,174
Additions	2,241	6,805	194	2,416	3,441	15,097
CIP transfer in/(out)	2,654	(8,540)	-	33	5,853	-
Disposals and other movements	(784)	(134)	(86)	(2,849)	(5,831)	(9,684)
At 30 June 2025	211,587	19,283	15,812	87,220	218,685	552,587
Accumulated depreciation and allowance for impairment losses:						
At 1 January 2024	87,937	34	13,120	68,149	54,316	223,556
Depreciation charge for the year	7,045	-	804	7,456	7,083	22,388
Impairment charge for the year	-	-	-	-	891	891
Disposals and other movements	2,780	1	(96)	(3,069)	(1,664)	(2,048)
At 31 December 2024 and 1 January 2025	97,762	35	13,828	72,536	60,626	244,787
Depreciation charge for the period	3,594	-	387	3,419	3,653	11,053
Impairment charge for the period	-	-	-	2	261	263
Disposals and other movements	(260)	-	(67)	(2,747)	(2,372)	(5,446)
At 30 June 2025	101,096	35	14,148	73,210	62,168	250,657
Carrying amount:						
At 31 December 2024	109,714	21,117	1,876	15,084	154,596	302,387
At 30 June 2025	110,491	19,248	1,664	14,010	156,517	301,930

As at 30 June 2025, the process of obtaining the legal titles for the Group's properties and buildings with an aggregate carrying amount of RMB6,217 million (31 December 2024: RMB5,404 million) was still in progress. Management is of the view that the aforesaid matter would neither affect the rights of the Group to these assets nor have any significant impact on the business operation of the Group.

As at 30 June 2025, the carrying amount of aircraft and vessels leased out by the Group under operating leases was RMB156,517 million (31 December 2024: RMB154,596 million).

As at 30 June 2025, the carrying amount of aircraft and vessels owned by the Group that have been pledged as collateral for liabilities due to banks and other financial institutions was RMB47,295 million (31 December 2024: RMB28,043 million).

As at 30 June 2025, the carrying amount of aircraft and vessel construction in progress was RMB14,355 million (31 December 2024: RMB14,699 million).

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21. DEFERRED TAX ASSETS AND LIABILITIES

(a) Analysed by nature

Deferred tax assets:

	30 June 2025		31 December 2024	
	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)
Allowance for impairment losses	507,248	125,999	474,566	117,825
Change in fair value of financial instruments measured at FVTPL	(36,637)	(9,169)	(40,707)	(10,183)
Change in fair value of financial instruments measured at FVTOCI	(89,878)	(22,362)	(112,174)	(28,101)
Accrued staff costs	37,769	9,474	45,935	11,477
Others	(28,674)	(7,328)	(3,861)	(971)
	<u>389,828</u>	<u>96,614</u>	<u>363,759</u>	<u>90,047</u>

Deferred tax liabilities:

	30 June 2025		31 December 2024	
	Taxable/ (deductible) temporary differences	Deferred tax liabilities/ (assets)	Taxable/ (deductible) temporary differences	Deferred tax liabilities/ (assets)
Allowance for impairment losses	(579)	(139)	(90)	(23)
Change in fair value of financial instruments measured at FVTPL	10,674	2,518	7,573	1,693
Change in fair value of financial instruments measured at FVTOCI	25,177	6,303	(333)	(81)
Others	(9,725)	(2,678)	10,733	2,689
	<u>25,547</u>	<u>6,004</u>	<u>17,883</u>	<u>4,278</u>

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21. DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

(b) Movements of deferred income tax

Deferred tax assets:

	1 January 2025	Recognised in profit or loss	Recognised in other comprehensive income	30 June 2025
Allowance for impairment losses	117,825	8,174	-	125,999
Change in fair value of financial instruments measured at FVTPL	(10,183)	1,014	-	(9,169)
Change in fair value of financial instruments measured at FVTOCI	(28,101)	-	5,739	(22,362)
Accrued staff costs	11,477	(2,003)	-	9,474
Others	(971)	(7,342)	985	(7,328)
	<u>90,047</u>	<u>(157)</u>	<u>6,724</u>	<u>96,614</u>

Deferred tax liabilities:

	1 January 2025	Recognised in profit or loss	Recognised in other comprehensive income	30 June 2025
Allowance for impairment losses	(23)	(116)	-	(139)
Change in fair value of financial instruments measured at FVTPL	1,693	825	-	2,518
Change in fair value of financial instruments measured at FVTOCI	(81)	-	6,384	6,303
Others	2,689	(5,367)	-	(2,678)
	<u>4,278</u>	<u>(4,658)</u>	<u>6,384</u>	<u>6,004</u>

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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21. DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

(b) Movements of deferred income tax (continued)

Deferred tax assets:

	1 January 2024	Recognised in profit or loss	Recognised in other comprehensive income	31 December 2024
Allowance for impairment losses	111,767	6,058	-	117,825
Change in fair value of financial instruments measured at FVTPL	(4,221)	(5,962)	-	(10,183)
Change in fair value of financial instruments measured at FVTOCI	(9,222)	-	(18,879)	(28,101)
Accrued staff costs	11,623	(146)	-	11,477
Others	(5,278)	(715)	5,022	(971)
	<u>104,669</u>	<u>(765)</u>	<u>(13,857)</u>	<u>90,047</u>

Deferred tax liabilities:

	1 January 2024	Recognised in profit or loss	Recognised in other comprehensive income	31 December 2024
Allowance for impairment losses	(38)	15	-	(23)
Change in fair value of financial instruments measured at FVTPL	1,701	(8)	-	1,693
Change in fair value of financial instruments measured at FVTOCI	64	-	(145)	(81)
Others	2,203	248	238	2,689
	<u>3,930</u>	<u>255</u>	<u>93</u>	<u>4,278</u>

As at 30 June 2025 and 31 December 2024, the Group did not have significant unrecognised deferred tax assets.

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

22. OTHER ASSETS

	30 June 2025	31 December 2024
Settlement and clearing balances	239,037	238,962
Precious metals	298,534	208,907
Right-of-use assets (a)	23,648	24,466
Land use rights	13,606	13,960
Goodwill (b)	19,814	19,566
Advance payments	8,559	1,197
Reposessed assets (c)	6,301	6,186
Interest receivable	3,728	3,684
Others	98,774	110,303
	<u>712,001</u>	<u>627,231</u>
Less: Allowance for impairment losses	<u>(14,747)</u>	<u>(13,998)</u>
	<u>697,254</u>	<u>613,233</u>

(a) Right-of-use assets

	Properties and buildings	Aircraft and vessels	Office equipment and motor vehicles	Total
Cost:				
At 1 January 2024	39,191	14,651	1,608	55,450
Additions	6,983	-	13	6,996
Disposals and other movements	(2,567)	(3,888)	(1,162)	(7,617)
At 31 December 2024 and 1 January 2025	<u>43,607</u>	<u>10,763</u>	<u>459</u>	<u>54,829</u>
Additions	2,534	-	157	2,691
Disposals and other movements	(1,009)	(45)	(59)	(1,113)
At 30 June 2025	<u>45,132</u>	<u>10,718</u>	<u>557</u>	<u>56,407</u>
Accumulated depreciation:				
At 1 January 2024	23,565	2,791	556	26,912
Depreciation charge for the year	6,410	536	74	7,020
Disposals and other movements	(2,508)	(845)	(216)	(3,569)
At 31 December 2024 and 1 January 2025	<u>27,467</u>	<u>2,482</u>	<u>414</u>	<u>30,363</u>
Depreciation charge for the period	3,159	175	24	3,358
Disposals and other movements	(905)	(11)	(46)	(962)
At 30 June 2025	<u>29,721</u>	<u>2,646</u>	<u>392</u>	<u>32,759</u>
Allowance for impairment losses:				
At 1 January 2024	36	530	-	566
Other movements	1	(89)	-	(88)
At 31 December 2024 and 1 January 2025	<u>37</u>	<u>441</u>	<u>-</u>	<u>478</u>
Impairment charge for the period	30	-	-	30
Other movements	(1)	(2)	-	(3)
At 30 June 2025	<u>66</u>	<u>439</u>	<u>-</u>	<u>505</u>
Carrying amount:				
At 31 December 2024	<u>16,103</u>	<u>7,840</u>	<u>45</u>	<u>23,988</u>
At 30 June 2025	<u>15,345</u>	<u>7,633</u>	<u>165</u>	<u>23,143</u>

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

22. OTHER ASSETS (CONTINUED)

(b) Goodwill

	30 June 2025	31 December 2024
At 1 January	19,566	9,357
Additions	412	9,961
Exchange difference	(164)	248
Subtotal	19,814	19,566
Less: Allowance for impairment losses	(394)	(401)
Net carrying amount	19,420	19,165

The goodwill is attributable to the expected synergies arising from acquisition of several subsidiaries. Goodwill arising from business combinations has been reasonably allocated to the CGU, which is not larger than the reportable segment of the Group, for impairment testing. The recoverable amount of the CGU is determined based on the discounted future cash flows of the CGU. The cash flow projections are based on financial forecasts approved by management of the subsidiaries. The average growth rates are projected based on the similar rates which do not exceed the long-term average growth rate for the business in which the CGU operates in. The discount rate is the before-tax rate and reflects the specific risk associated with the CGU. Changes in provision for impairment of goodwill in the current period were due to changes in exchange rates.

(c) Repossessed assets

	30 June 2025	31 December 2024
Properties and buildings	5,751	5,604
Other	550	582
Subtotal	6,301	6,186
Less: Allowance for impairment losses	(2,992)	(2,974)
	3,309	3,212

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

23. IMPAIRMENT ALLOWANCE

	At 1 January 2025	(Reverse)/ charge for the period	Write-offs and transfer out	Recoveries of previous write-offs	Others	At 30 June 2025
Due from banks and other financial institutions	4,347	(399)	-	-	(120)	3,828
Reverse repurchase agreements	33	188	-	-	-	221
Loans and advances to customers	815,497	102,215	(51,001)	6,058	(1,705)	871,064
Financial investments	47,428	(113)	-	-	(179)	47,136
Investments in associates and joint ventures	519	-	-	-	-	519
Property and equipment	12,802	263	(728)	-	(47)	12,290
Credit commitments	25,159	989	-	-	(53)	26,095
Others	41,553	1,386	(717)	-	106	42,328
Total	947,338	104,529	(52,446)	6,058	(1,998)	1,003,481
	At 1 January 2024	Charge/ (reverse) for the year	Write-offs and transfer out	Recoveries of previous write-offs	Others	At 31 December 2024
Due from banks and other financial institutions	3,560	586	-	-	201	4,347
Reverse repurchase agreements	97	(64)	-	-	-	33
Loans and advances to customers	756,391	122,479	(85,127)	13,856	7,898	815,497
Financial investments	48,287	(1,182)	(57)	-	380	47,428
Investments in associates and joint ventures	519	-	-	-	-	519
Property and equipment	11,522	891	-	-	389	12,802
Credit commitments	24,185	690	-	-	284	25,159
Others	39,691	3,263	(1,499)	-	98	41,553
Total	884,252	126,663	(86,683)	13,856	9,250	947,338

24. DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS

	30 June 2025	31 December 2024
Deposits:		
Banks and other financial institutions operating in Chinese mainland	4,363,786	3,841,081
Banks and other financial institutions operating outside Chinese mainland	182,506	143,455
Accrued interest	34,996	36,001
	4,581,288	4,020,537
Money market takings:		
Banks and other financial institutions operating in Chinese mainland	310,285	273,806
Banks and other financial institutions operating outside Chinese mainland	270,447	288,602
Accrued interest	8,115	8,020
	588,847	570,428
	5,170,135	4,590,965

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(In RMB millions, unless otherwise stated)

25. FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2025	31 December 2024
Financial liabilities related to precious metals and account-based investment products (i)	89,031	61,362
Debt securities issued (i)	10,663	10,562
Others	9,412	4,132
	<u>109,106</u>	<u>76,056</u>

- (i) Financial liabilities related to precious metals and account-based investment products, and certain issued debt securities have been matched with precious metals or derivatives of the Group as part of a documented risk management strategy to mitigate market risk. An accounting mismatch would arise if these financial liabilities were accounted for at amortised cost, whereas the related precious metals or derivatives were measured at fair value with movements in fair value taken through the statement of profit or loss. By designating these financial liabilities at FVTPL, the movement in their fair values is recorded in the statement of profit or loss. As at 30 June 2025 and 31 December 2024, the difference between the fair values of the financial liabilities related to precious metals, account-based investment products and issued debt securities and the amounts that the Group would be contractually required to pay to the holders of the financial liabilities related to precious metals, account-based investment products and issued debt securities upon maturity was not significant.

For the six months ended 30 June 2025 and the year ended 31 December 2024, there were no significant changes in the credit spread of the Group and therefore the amounts of changes in fair value of the financial liabilities arising from changes in the credit risk and the accumulated amounts as at the end of the respective period/year were not significant. The changes in fair value of the financial liabilities were mainly attributable to changes in other market factors.

26. REPURCHASE AGREEMENTS

	30 June 2025	31 December 2024
Measured at amortised cost:		
Repurchase agreements-bills	6,303	12,096
Repurchase agreements-securities	1,710,209	1,493,317
Accrued interest	10,048	17,427
Subtotal	<u>1,726,560</u>	<u>1,522,840</u>
Measured at FVTPL:		
Repurchase agreements-securities	27	715
Total	<u>1,726,587</u>	<u>1,523,555</u>

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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27. CERTIFICATES OF DEPOSIT

Certificates of deposit issued by certain of the Bank's overseas branches and subsidiaries are measured at amortised cost.

28. DUE TO CUSTOMERS

	30 June 2025	31 December 2024
Demand deposits:		
Corporate customers	7,352,088	7,158,295
Personal customers	6,757,265	6,463,845
	<u>14,109,353</u>	<u>13,622,140</u>
Time deposits:		
Corporate customers	8,959,863	8,349,110
Personal customers	13,074,919	12,077,665
	<u>22,034,782</u>	<u>20,426,775</u>
Others	258,670	228,721
Accrued interest	501,751	559,337
	<u>36,904,556</u>	<u>34,836,973</u>

As at 30 June 2025, the Group's pledged deposits included in above amounted to RMB178,176 million (31 December 2024: RMB142,531 million).

29. DEBT SECURITIES ISSUED

	30 June 2025	31 December 2024
Subordinated bonds, tier 2 capital bonds and total loss-absorbing capacity eligible non-capital bonds (a)		
Issued by the Bank	832,327	732,586
Issued by subsidiaries	6,102	6,058
Accrued interest	13,062	10,617
	<u>851,491</u>	<u>749,261</u>
Other debt securities (b)		
Issued by the Bank	1,675,205	1,192,573
Issued by subsidiaries	70,244	84,843
Accrued interest	2,399	2,045
	<u>1,747,848</u>	<u>1,279,461</u>
	<u>2,599,339</u>	<u>2,028,722</u>

As at 30 June 2025, the amount of debt securities issued that were due within one year was RMB1,569,105 million (31 December 2024: RMB1,114,660 million).

For the six months ended 30 June 2025, the Group has not had any defaults in respect of payments of principal or interest or other breaches with respect to the bonds (year ended 31 December 2024: Nil).

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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29. DEBT SECURITIES ISSUED (CONTINUED)

(a) Subordinated bonds, tier 2 capital bonds and total loss-absorbing capacity eligible non-capital bonds

The Bank:

As approved by the PBOC and the NFRA, the Bank issued callable subordinated bonds, tier 2 capital bonds and total loss-absorbing capacity eligible non-capital bonds (TLAC non-capital Bonds) in the National Interbank Bond Market through open market bidding. These subordinated bonds, tier 2 capital bonds and TLAC non-capital Bonds were traded on the National Interbank Bond Market. The relevant information is set out below:

Name	Issue date	Issued and		Coupon rate	Value date	Maturity date	Circulation date
		Issue price (In RMB)	nominal amount (In RMB million)				
11 ICBC 01	29/06/2011	100 Yuan	38,000	5.56%	30/06/2011	30/06/2031	30/08/2011
19 ICBC 02 Tier 2 Bond	21/03/2019	100 Yuan	10,000	4.51%	25/03/2019	25/03/2034	26/03/2019
19 ICBC 04 Tier 2 Bond	24/04/2019	100 Yuan	10,000	4.69%	26/04/2019	26/04/2034	28/04/2019
20 ICBC 01 Tier 2 Bond	22/09/2020	100 Yuan	60,000	4.20%	24/09/2020	24/09/2030	25/09/2020
20 ICBC 02 Tier 2 Bond	12/11/2020	100 Yuan	30,000	4.15%	16/11/2020	16/11/2030	17/11/2020
20 ICBC 03 Tier 2 Bond	12/11/2020	100 Yuan	10,000	4.45%	16/11/2020	16/11/2035	17/11/2020
21 ICBC 01 Tier 2 Bond	19/01/2021	100 Yuan	30,000	4.15%	21/01/2021	21/01/2031	22/01/2021
21 ICBC 02 Tier 2 Bond	13/12/2021	100 Yuan	50,000	3.48%	15/12/2021	15/12/2031	16/12/2021
21 ICBC 03 Tier 2 Bond	13/12/2021	100 Yuan	10,000	3.74%	15/12/2021	15/12/2036	16/12/2021
22 ICBC 01 Tier 2 Bond	18/01/2022	100 Yuan	35,000	3.28%	20/01/2022	20/01/2032	21/01/2022
22 ICBC 02 Tier 2 Bond	18/01/2022	100 Yuan	5,000	3.60%	20/01/2022	20/01/2037	21/01/2022
22 ICBC 03 Tier 2 Bond	12/04/2022	100 Yuan	45,000	3.50%	14/04/2022	14/04/2032	15/04/2022
22 ICBC 04 Tier 2 Bond	12/04/2022	100 Yuan	5,000	3.74%	14/04/2022	14/04/2037	15/04/2022
22 ICBC 03A Tier-2 Capital Bonds	18/08/2022	100 Yuan	30,000	3.02%	22/08/2022	22/08/2032	23/08/2022
22 ICBC 03B Tier-2 Capital Bonds	18/08/2022	100 Yuan	10,000	3.32%	22/08/2022	22/08/2037	23/08/2022
22 ICBC 04A Tier-2 Capital Bonds	08/11/2022	100 Yuan	50,000	3.00%	10/11/2022	10/11/2032	11/11/2022
22 ICBC 04B Tier-2 Capital Bonds	08/11/2022	100 Yuan	10,000	3.34%	10/11/2022	10/11/2037	11/11/2022
22 ICBC 05A Tier-2 Capital Bonds	20/12/2022	100 Yuan	25,000	3.70%	22/12/2022	22/12/2032	23/12/2022
22 ICBC 05B Tier-2 Capital Bonds	20/12/2022	100 Yuan	5,000	3.85%	22/12/2022	22/12/2037	23/12/2022
23 ICBC 01A Tier-2 Capital Bonds	10/04/2023	100 Yuan	35,000	3.49%	12/04/2023	12/04/2033	13/04/2023
23 ICBC 01B Tier-2 Capital Bonds	10/04/2023	100 Yuan	20,000	3.58%	12/04/2023	12/04/2038	13/04/2023
23 ICBC 02A Tier-2 Capital Bonds	28/08/2023	100 Yuan	30,000	3.07%	30/08/2023	30/08/2033	31/08/2023
23 ICBC 02B Tier-2 Capital Bonds	28/08/2023	100 Yuan	25,000	3.18%	30/08/2023	30/08/2038	31/08/2023
24 ICBC 01A TLAC Non-capital Bond	15/05/2024	100 Yuan	30,000	2.25%	17/05/2024	17/05/2028	20/05/2024
24 ICBC 01B TLAC Non-capital Bond	15/05/2024	100 Yuan	10,000	2.35%	17/05/2024	17/05/2030	20/05/2024
24 ICBC T2CB01A	27/08/2024	100 Yuan	42,000	2.25%	29/08/2024	29/08/2034	30/08/2024
24 ICBC T2CB01B	27/08/2024	100 Yuan	8,000	2.40%	29/08/2024	29/08/2039	30/08/2024
24 ICBC T2CB02	24/10/2024	100 Yuan	40,000	2.37%	28/10/2024	28/10/2034	29/10/2024
24 ICBC TLACENCGB01(BC)	17/12/2024	100 Yuan	10,000	1.76%	19/12/2024	19/12/2028	20/12/2024
25 ICBC T2CB01	27/02/2025	100 Yuan	50,000	2.05%	03/03/2025	03/03/2035	04/03/2025
25 ICBC T2CB02	28/04/2025	100 Yuan	50,000	1.98%	30/04/2025	30/04/2035	06/05/2025

The Bank has the option to redeem these bonds in whole or in part on specific dates at par value in future upon the approval of the relevant regulatory authorities.

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29. DEBT SECURITIES ISSUED (CONTINUED)

(a) Subordinated bonds, tier 2 capital bonds and total loss-absorbing capacity eligible non-capital bonds (continued)

In 2015, the Bank issued tier 2 capital bonds denominated in USD. The bonds were approved for listing and dealing by The Stock Exchange of Hong Kong Limited. The relevant information is set out below:

Name	Issue date	Currency	Issued price	Issued amount	Ending balance	Coupon rate	Value date	Maturity date	Circulation date
			(In original currency)	(In original currency) (In RMB)	(In RMB)				
				(million)	(million)				
15 USD Tier 2 capital bonds	21/09/2015	USD	99.189	2,000	14,300	4.875%	21/09/2015	21/09/2025	22/09/2015

The bonds cannot be redeemed before maturity.

Subsidiaries:

On 23 March 2018, ICBC Thai issued a tier 2 capital bond with an aggregate nominal amount of THB5,000 million, bearing a fixed interest rate of 3.5%. The bond will mature on 23 September 2028.

On 15 March 2022, ICBC-AXA issued a capital supplementary bond with an aggregate nominal amount of RMB5,000 million, bearing an initial fixed interest rate of 3.7%. The bond will mature on 17 March 2032. The issuer has an option to redeem the capital supplementary bond in whole or in part at par value at the end of the fifth interest-bearing year. If the issuer does not exercise the redemption option, the coupon rate would increase to 4.7% from the sixth interest-bearing year.

The above tier 2 capital bonds are separately traded on the Thai Bond Market and the National Interbank Bond Market.

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29. DEBT SECURITIES ISSUED (CONTINUED)

(b) Other debt securities issued

The Bank:

- (i) Head Office issued debt securities and interbank certificates of deposit, denominated in RMB at fixed or floating interest rates amounting to RMB1,559,668 million in total with maturities between the second half of 2025 and 2028. The coupon rates range from 0% to 2.70%.
- (ii) Sydney Branch issued debt securities denominated in AUD and USD at fixed or floating interest rates amounting to an equivalent of RMB4,937 million in total with maturities between 2026 and 2027. The coupon rates range from 1.09% to 4.98%.
- (iii) Singapore Branch issued debt securities denominated in RMB and USD at fixed or floating interest rates amounting to an equivalent of RMB19,386 million in total with maturities between the second half of 2025 and 2028. The coupon rates range from 1.20% to 4.92%.
- (iv) New York Branch issued debt securities and notes denominated in USD at fixed interest rates amounting to an equivalent of RMB10,311 million in total with maturities between the second half of 2025 and 2027. The coupon rates range from 0% to 3.54%.
- (v) Luxembourg Branch issued debt securities denominated in EUR and USD at fixed or floating interest rates amounting to an equivalent of RMB5,775 million in total with maturities between 2026 and 2028. The coupon rates range from 2.25% to 4.88%.
- (vi) Dubai (DIFC) Branch issued debt securities denominated in RMB and USD at fixed or floating interest rates amounting to an equivalent of RMB14,023 million in total with maturities between the second half of 2025 and 2028. The coupon rates range from 2.00% to 5.33%.
- (vii) Hong Kong Branch issued debt securities denominated in USD at fixed interest rates amounting to an equivalent of RMB37,222 million in total with maturities between the second half of 2025 and 2028. The coupon rates range from 1.20% to 5.38%.
- (viii) London Branch issued notes denominated in GBP, USD and EUR at fixed or floating interest rates amounting to an equivalent of RMB19,611 million in total with maturities between the second half of 2025 and 2028. The coupon rates range from 1.63% to 5.02%.
- (ix) Macau Branch issued debt securities denominated in USD and MOP at fixed or floating interest rates amounting to an equivalent of RMB4,265 million in total with maturities between the second half of 2025 and 2028. The coupon rates range from 4.88% to 5.62%.

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

29. DEBT SECURITIES ISSUED (CONTINUED)

(b) Other debt securities issued (continued)

Subsidiaries:

- (i) ICBC Asia issued debt securities and interbank certificates of deposit denominated in RMB and USD at fixed interest rates amounting to an equivalent of RMB5,953 million in total with maturities between the second half of 2025 and 2027. The coupon rates range from 2.05% to 4.58%.
- (ii) ICBC Leasing issued debt securities denominated in RMB and USD at fixed or floating interest rates amounting to an equivalent of RMB38,908 million in total with maturities between the second half of 2025 and 2031. The coupon rates range from 1.75% to 5.30%.
- (iii) ICBC Thai issued debt securities denominated in THB at fixed interest rates amounting to an equivalent of RMB6,062 million in total with maturities between the second half of 2025 and 2028. The coupon rates range from 1.70% to 3.70%.
- (iv) ICBC International issued debt securities denominated in RMB and USD at fixed or floating interest rates amounting to an equivalent of RMB7,862 million in total with maturities between the second half of 2025 and 2028. The coupon rates range from 1.70% to 5.40%.
- (v) ICBC New Zealand issued debt securities denominated in NZD, RMB and USD at fixed or floating interest rates amounting to an equivalent of RMB1,932 million in total with maturities between 2026 and 2029. The coupon rates range from 2.93% to 5.78%.
- (vi) ICBC Investment issued debt securities denominated in RMB at fixed interest rates amounting to RMB5,000 million in total that will mature in the second half of 2025. The coupon rate is 2.50%.
- (vii) ICBC Canada issued interbank certificates of deposit denominated in CAD at fixed interest rates amounting to an equivalent of RMB1,087 million in total that will mature in the second half of 2025. The coupon rates range from 3.30% to 3.45%.
- (viii) ICBC Macau issued debt securities denominated in RMB at fixed interest rates amounting to RMB2,994 million in total that will mature in 2026. The coupon rate is 3.09%.
- (ix) ICBC Argentina issued debt securities denominated in ARS at floating interest rates amounting to an equivalent of RMB454 million in total with maturities between the second half of 2025 and 2026. The coupon rates range from 3.25% to 5.00%.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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30. OTHER LIABILITIES

	30 June 2025	31 December 2024
Settlement and clearing balances	382,146	374,945
Insurance business liabilities	321,141	304,959
Dividends payable	58,837	51,282
Salaries, bonuses, allowances and subsidies payables (a)	37,209	45,269
Provisions for credit commitments (b)	26,095	25,159
Lease liabilities (c)	19,853	20,983
Sundry tax payables	15,135	15,974
Promissory notes	482	1,239
Early retirement benefits	6	7
Others	60,191	89,398
	<u>921,095</u>	<u>929,215</u>

(a) There were no overdue payments for staff salaries, bonuses, allowances and subsidies payable as at 30 June 2025 (31 December 2024: Nil).

(b) Provisions for credit commitments

	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2025	19,815	5,244	100	25,159
Transfer:				
— to stage 1	159	(159)	-	-
— to stage 2	(261)	261	-	-
— to stage 3	(95)	(36)	131	-
Charge /(reverse) for the period	1,077	(85)	(3)	989
Other movements	240	(177)	(116)	(53)
Balance at 30 June 2025	<u>20,935</u>	<u>5,048</u>	<u>112</u>	<u>26,095</u>
	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2024	17,897	5,634	654	24,185
Transfer:				
— to stage 1	113	(113)	-	-
— to stage 2	(204)	204	-	-
— to stage 3	(76)	(7)	83	-
Charge /(reverse) for the year	1,771	(528)	(553)	690
Other movements	314	54	(84)	284
Balance at 31 December 2024	<u>19,815</u>	<u>5,244</u>	<u>100</u>	<u>25,159</u>

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

30. OTHER LIABILITIES (CONTINUED)

(c) Lease liabilities

	30 June 2025	31 December 2024
Less than one year	6,996	6,741
One to two years	5,457	5,515
Two to three years	3,635	3,913
Three to five years	4,590	4,444
More than five years	1,739	2,145
Undiscounted lease liabilities	<u>22,417</u>	<u>22,758</u>
Closing balance of lease liabilities	<u>19,853</u>	<u>20,983</u>

31. SHARE CAPITAL

	30 June 2025		31 December 2024	
	Number of shares (millions)	Nominal value	Number of shares (millions)	Nominal value
Issued and fully paid:				
H shares of RMB1 Yuan each	86,795	86,795	86,795	86,795
A shares of RMB1 Yuan each	<u>269,612</u>	<u>269,612</u>	<u>269,612</u>	<u>269,612</u>
	<u>356,407</u>	<u>356,407</u>	<u>356,407</u>	<u>356,407</u>

Except for the dividends of H shares which are payable in RMB or Hong Kong dollars equivalent, all of the ordinary A shares and H shares rank pari passu with each other in respect of dividends on ordinary shares.

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

32. OTHER EQUITY INSTRUMENTS

(1) Preference shares

(a) Preference shares (“Preference Shares”) outstanding:

Financial instruments outstanding	Issue date	Accounting classification	Dividend rate	Issue price	Amount (million shares)	In original currency (million)	In RMB (million)	Maturity	Conversion condition	Conversion
Offshore Preference Shares:										
USD	23/09/2020	Equity	3.58%	USD20/Share	145	2,900	19,716	None	Mandatory	No
Domestic Preference Shares:										
RMB2015	18/11/2015	Equity	4.58%	RMB100/Share	450	45,000	45,000	None	Mandatory	No
RMB2019	19/09/2019	Equity	3.02%	RMB100/Share	700	70,000	70,000	None	Mandatory	No
Total							<u>134,716</u>			

(b) Main clauses and basic information

(i) Dividend

Offshore and domestic dividends are paid annually.

Offshore and domestic dividends are set at a fixed rate for 5 years after issuance and are reset every 5 years thereafter to the sum of the benchmark rate and the fixed spread. The fixed spread is equal to the spread between the initial offshore and domestic dividend rate and the benchmark rate at the time of issuance. The fixed spread remains unchanged throughout the term of the Preference Shares.

(ii) Conditions to distribution of dividends

The Bank can pay offshore and domestic dividends when it has distributable after-tax profit after making up previous years' losses, contributing to the statutory reserve and making general provisions, and the Bank's capital adequacy ratios meet regulatory requirements. Preference shareholders of the Bank are senior to the ordinary shareholders in respect of the right to dividends. The order of payment of domestic dividends is equal to offshore dividends. The Bank may elect to cancel all or part of offshore and domestic dividends and this shall not constitute a default for any purpose, but such cancellation will require a shareholder's resolution to be passed.

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

32. OTHER EQUITY INSTRUMENTS (CONTINUED)

(1) Preference shares (continued)

(b) Main clauses and basic information (continued)

(iii) Dividend stopper and setting mechanism

For Offshore and Domestic Preference Shares, if the Bank cancels all or part of the dividends to the Preference Shares, the Bank shall not make any dividend distribution to ordinary shareholders before the Bank pays the dividends to the preference shareholders in full for the current dividend period.

Non-cumulative dividend is a dividend on Offshore and Domestic Preference Shares which does not cumulate upon omission of payment and the passed or omitted dividend of one year is not carried to the following year. After receiving a dividend at the agreed dividend rate, preference shareholders of the Bank will not participate in the distribution of residual profits with ordinary shareholders.

The Bank shall distribute dividends for Offshore and Domestic Preference Shares in cash, based on the liquidation preference amount for the issued and outstanding Offshore Preference Shares or total amount of issued and outstanding Domestic Preference Shares during the corresponding period (i.e., the product of the issue price of Preference Shares and the number of the issued and outstanding Preference Shares).

(iv) Order of distribution and liquidation method

The offshore preference shareholders and domestic preference shareholders will rank equally for payment. The preference shareholders will be subordinated to the depositors, general creditors and holders of convertible bonds, holders of subordinated debts, holders of tier 2 capital bonds and holders of other tier 2 capital instruments of the Bank but will be senior to the ordinary shareholders of the Bank.

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

32. OTHER EQUITY INSTRUMENTS (CONTINUED)

(1) Preference shares (continued)

(b) Main clauses and basic information (continued)

(v) Mandatory conversion trigger events

For Offshore Preference Shares, upon the occurrence of any Non-Viability Trigger Event, the Bank shall have the right to irrevocably and compulsorily convert all or part of the outstanding Offshore Preference Shares into H shares, under the consent of the NFRA but without the need for the consent of the offshore preference shareholders or the ordinary shareholders. If the Offshore Preference Shares were converted into H shares, they cannot be converted to Preference Shares again under any circumstances.

For Domestic Preference Shares, upon the occurrence of an Additional Tier 1 Capital Trigger Event (Common Equity Tier 1 Capital Adequacy Ratio of the Bank falling to 5.125% or below), the Bank shall have the right without the need for the consent of the domestic preference shareholders to convert all or part of the outstanding face value of Domestic Preference Shares into A shares, in order to restore the Common Equity Tier 1 Capital Adequacy Ratio of the Bank to above 5.125%. If Domestic Preference Shares were converted into A shares, they cannot be converted to Preference Shares again under any circumstances. Upon the occurrence of a Tier 2 Capital Trigger Event, the Bank shall have the right without the need for the consent of the domestic preference shareholders to convert all the outstanding face value of Domestic Preference Shares into A shares. If Domestic Preference Shares were converted into A share, they cannot be converted to Preference Shares again under any circumstances.

The initial mandatory conversion prices are HKD5.73 per H share for Offshore Preference Shares, RMB3.44 for Domestic 2015 Preference Shares and RMB5.43 for Domestic 2019 Preference Shares. In case of stock dividends distribution of H or A shares of the Bank or other circumstances, the Bank will make cumulative adjustment to the compulsory conversion price in turn.

(vi) Redemption conditions

Subject to obtaining the approval of the NFRA and satisfying the conditions of redemption, the Bank has the right to redeem all or part of the Offshore Preference Shares at the first call date and any subsequent dividend payment date. Redemption price of Offshore Preference Shares is equal to liquidation preference price plus any declared but unpaid dividend in current period. The first redemption date of Offshore Preference Shares is five years after issuance.

Under the premise of obtaining the approval of the NFRA and compliance with relevant requirements, the Bank has the right to redeem all or part of Domestic Preference Shares, after five years since the date of issuance/the date of closing. The redemption period of Domestic Preference Shares is from the start date of redemption to the date of full redemption or conversion. Redemption price of Domestic Preference Shares is equal to book value plus any declared but unpaid dividend in the current period.

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

32. OTHER EQUITY INSTRUMENTS (CONTINUED)

(1) Preference shares (continued)

(c) Changes in preference shares outstanding

Financial instruments outstanding	1 January 2025			Movement during the period			30 June 2025		
	Amount (million shares)	In original currency (million)	In RMB (million)	Amount (million shares)	In original currency (million)	In RMB (million)	Amount (million shares)	In original currency (million)	In RMB (million)
Offshore Preference Shares:									
USD	145	2,900	19,716	-	-	-	145	2,900	19,716
Domestic Preference Shares:									
RMB2015	450	45,000	45,000	-	-	-	450	45,000	45,000
RMB2019	700	70,000	70,000	-	-	-	700	70,000	70,000
Total			<u>134,716</u>			<u>-</u>			<u>134,716</u>

The carrying amount of Preference Shares issued by the Bank, net of related issuance fees, was RMB134,614 million as at 30 June 2025 (31 December 2024: RMB134,614 million).

(2) Perpetual bonds

(a) Perpetual bonds outstanding

Financial instruments outstanding	Issue date	Accounting classification	Initial interest rate	Issue price	Amount (million units)	In original currency (million)	In RMB (million)	Maturity	Conversion condition	Conversion
Offshore										
USD Perpetual bond	24/09/2021	Equity	3.20%	Note (i)	N/A	6,160	39,793	None	None	No
Domestic										
RMB2021 Perpetual bond Series 1	04/06/2021	Equity	4.04%	RMB100/Unit	700	70,000	70,000	None	None	No
RMB2021 Perpetual bond Series 2	24/11/2021	Equity	3.65%	RMB100/Unit	300	30,000	30,000	None	None	No
RMB2024 Perpetual bond Series 1	10/07/2024	Equity	2.35%	RMB100/Unit	500	50,000	50,000	None	None	No
RMB2025 Perpetual bond Series 1	09/05/2025	Equity	1.97%	RMB100/Unit	400	40,000	40,000	None	None	No
Total							<u>229,793</u>			

- (i) Offshore USD Perpetual Bond was issued in specific denomination of USD200,000 and integral multiple of USD1,000 in excess thereof at an issue price of 100%.

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

32. OTHER EQUITY INSTRUMENTS (CONTINUED)

(2) Perpetual bonds (continued)

(b) Main clauses and basic information

With the approvals of relevant regulatory authorities, the Bank issued RMB70,000 million, RMB30,000 million, RMB50,000 million and RMB40,000 million of undated capital bonds on 4 June 2021, 24 November 2021, 10 July 2024 and 9 May 2025 (hereinafter referred to as “2021 Domestic Perpetual Bond Series 1”, “2021 Domestic Perpetual Bond Series 2”, “2024 Domestic Perpetual Bond Series 1” and “2025 Domestic Perpetual Bond Series 1” respectively, collectively Domestic Perpetual Bonds) in the National Interbank Bond Market.

The Bank issued USD6,160 million of undated capital bonds (hereinafter referred to as “Offshore Perpetual Bond”) on The Stock Exchange of Hong Kong Limited on 24 September 2021.

The funds raised by the Bank from the bonds were used to supplement additional tier 1 capital of the Bank in accordance with the relevant laws and approvals by regulatory authorities.

(i) Interest

Each Domestic Perpetual Bond has a par value of RMB100, and the interest rate of the bonds for the first five years are 4.04% for 2021 Domestic Perpetual Bond Series 1, 3.65% for 2021 Domestic Perpetual Bond Series 2, 2.35% for 2024 Domestic Perpetual Bond Series 1, and 1.97% for 2025 Domestic Perpetual Bond Series 1, resetting every 5 years. The rates are determined by a benchmark rate plus an initial fixed spread. The initial fixed spreads are the difference between the interest rate and the benchmark rate as determined at the time of issuance. The fixed spread will not be adjusted once determined during the duration period. The interest of Domestic Perpetual Bonds shall be paid annually.

The interest rate of Offshore Perpetual Bond for the first five years is 3.20%, resetting every 5 years. The rate is determined by a benchmark rate plus a fixed spread, and the fixed spread will remain unchanged during the duration period. The dividend shall be paid semi-annually.

(ii) Interest stopper and setting mechanism

The interest payment for both the Domestic Perpetual Bonds and Offshore Perpetual Bond is non-cumulative. The Bank shall have the right to cancel, in whole or in part, distributions on the interest payment and any such cancellation shall not constitute an event of default. The Bank may, at its sole discretion, use the proceeds from the cancelled distributions to meet other obligations as they fall due. However, the Bank shall not distribute profits to ordinary shareholders until resumption of full interest payment.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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32. OTHER EQUITY INSTRUMENTS (CONTINUED)

(2) Perpetual bonds (continued)

(b) Main clauses and basic information (continued)

(iii) Order of distribution and liquidation method

The claims in respect of Domestic Perpetual Bonds will be subordinated to claims of depositors, general creditors, and subordinated indebtedness that rank senior to Domestic Perpetual Bonds, and will rank in priority to all classes of shares held by shareholders of the Bank. The claims in respect of Offshore Perpetual Bond will be subordinated to claims of depositors, general creditors, tier 2 capital bond holders and subordinated indebtedness that rank senior to the Offshore Perpetual Bond, and will rank in priority to all classes of shares held by shareholders of the Bank. Domestic Perpetual Bonds and Offshore Perpetual Bond will rank pari passu with the claims in respect of any other Additional Tier 1 Capital instruments of the Bank that rank pari passu with the perpetual bonds.

(iv) Write down conditions

For 2021 Domestic Perpetual Bond Series 1, 2021 Domestic Perpetual Bond Series 2, 2024 Domestic Perpetual Bond Series 1 and 2025 Domestic Perpetual Bond Series 1 upon the occurrence of a Non-Viability Trigger Event, the Bank has the right to write down all or part of the nominal amount of the outstanding perpetual bonds without the need for the consent of the bond holders.

For Offshore Perpetual Bond, upon the occurrence of a Non-Viability Trigger Event, the Bank has the right to write down all or part of the perpetual bonds issued and outstanding at that time up to the total nominal value without the need for the consent of the bond holders.

(v) Redemption conditions

The duration of the Domestic Perpetual Bonds and Offshore Perpetual Bond is the same as the continuing operation of the Bank. Five years after the issuance date of the Domestic Perpetual Bonds and Offshore Perpetual Bond, the Bank shall have the right to redeem them in whole or in part on each distribution payment date (including the fifth distribution payment date since the issuance). In the event that the perpetual bonds are not classified as additional tier 1 capital due to unpredicted changes in regulations, the Bank shall have the right to redeem Domestic Perpetual Bonds and Offshore Perpetual Bond fully instead of partly.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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32. OTHER EQUITY INSTRUMENTS (CONTINUED)

(2) Perpetual bonds (continued)

(c) Changes in perpetual bonds outstanding

Financial instruments outstanding	1 January 2025			Movement during the period			30 June 2025		
	Amount (million units)	In original currency (million)	In RMB (million)	Amount (million units)	In original currency (million)	In RMB (million)	Amount (million units)	In original currency (million)	In RMB (million)
Offshore									
USD Perpetual bond	N/A	6,160	39,793	-	-	-	N/A	6,160	39,793
Domestic									
RMB2021 Perpetual bond Series 1	700	70,000	70,000	-	-	-	700	70,000	70,000
RMB2021 Perpetual bond Series 2	300	30,000	30,000	-	-	-	300	30,000	30,000
RMB2024 Perpetual bond Series 1	500	50,000	50,000	-	-	-	500	50,000	50,000
RMB2025 Perpetual bond Series 1	-	-	-	400	40,000	40,000	400	40,000	40,000
Total			<u>189,793</u>			<u>40,000</u>			<u>229,793</u>

The carrying amount of perpetual bond issued by the Bank, net of related issuance fees, was RMB229,730 million as at 30 June 2025 (31 December 2024: RMB189,730 million).

(3) Interests attributable to equity instruments' holders

	30 June 2025	31 December 2024
1. Total equity attributable to equity holders of the parent company	4,114,692	3,969,841
(1) Equity attributable to ordinary shareholders of the parent company	3,750,348	3,645,497
(2) Equity attributable to other equity instrument holders of the parent company	<u>364,344</u>	<u>324,344</u>
2. Total equity attributable to non-controlling interests	24,184	17,425
(1) Equity attributable to ordinary shareholders of non-controlling interests	16,312	16,553
(2) Equity attributable to other equity instrument holders of non-controlling interests	<u>7,872</u>	<u>872</u>

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

33. RESERVES

(a) Capital reserve

Capital reserve mainly includes share premium arising from the issuance of new shares at prices in excess of par value.

(b) Surplus reserves

(i) Statutory surplus reserve

The Bank is required to appropriate 10% of its profit for the year, as determined under the Accounting Standards for Business Enterprises and other relevant requirements (“PRC GAAP”), pursuant to the Company Law of the PRC and the Articles of the Bank to the statutory surplus reserve until the reserve balance reaches 50% of its registered capital.

Subject to the approval of the shareholders, the statutory surplus reserve may be used to offset accumulated losses of the Bank, if any, and may also be converted into capital of the Bank, provided that the balance of the statutory surplus reserve after such capitalisation is not less than 25% of the registered capital immediately before capitalisation.

(ii) Discretionary surplus reserve

After making the appropriation to the statutory surplus reserve, the Bank may also appropriate its profit for the year determined under the PRC GAAP to the discretionary surplus reserve upon approval by the shareholders in a general meeting. Subject to the approval of the shareholders, the discretionary surplus reserve may be used to offset accumulated losses of the Bank, if any, and may be converted into capital.

(iii) Other surplus reserves

The Bank’s overseas entities appropriate their profits to other surplus reserves or statutory reserve in accordance with the relevant laws and regulations promulgated by the local regulatory bodies.

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

33. RESERVES (CONTINUED)

(c) General reserve

In accordance with the “Administrative Measures for the Provision of Reserves of Financial Enterprises” (Cai Jin [2012] No. 20) issued by the MOF, the Bank maintains a general reserve within equity, through the appropriation of profit for the year, which should not be less than 1.5% of the year-end balance of its risk assets, to partially cover unidentified possible losses.

The Bank’s subsidiaries appropriate their profits to the general reserve according to the applicable local regulations.

(d) Investment revaluation reserve

The investment revaluation reserve records the fair value changes and impairment provision of financial investments measured at FVTOCI.

(e) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of the foreign operations incorporated outside Chinese mainland.

(f) Cash flow hedging reserve

The cash flow hedging reserve comprises the effective portion of the gains or losses on the hedging instruments.

(g) Other reserves

Other reserves represent reserves other than the items listed above, including other comprehensive income recognised under the equity method.

(h) Distributable profits

The Bank’s distributable profit is based on its retained profits as determined under PRC GAAP and IFRSs, whichever is lower. The amount that the Bank’s subsidiaries can legally distribute is determined by referring to their profits as reflected in their financial statements prepared in accordance with the accounting regulations and principles promulgated by the local regulatory bodies. These profits may differ from those dealt with in these financial statements, which are prepared in accordance with IFRSs.

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

34. OTHER COMPREHENSIVE INCOME

(a) Other comprehensive income attributable to equity holders of the parent company in the consolidated statement of financial position

	Investment revaluation reserve	Foreign currency translation reserve	Others	Total
1 January 2024	24,047	(15,608)	(12,517)	(4,078)
Movement during the year	52,918	9,516	(10,661)	51,773
31 December 2024 and 1 January 2025	76,965	(6,092)	(23,178)	47,695
Movement during the period	1,515	(1,548)	(799)	(832)
30 June 2025	78,480	(7,640)	(23,977)	46,863

(b) Other comprehensive income in the consolidated statement of profit or loss and other comprehensive income

	Six months ended 30 June	
	2025	2024
Items that will not be reclassified to profit or loss:		
(i) Changes in fair value of equity instruments designated as at FVTOCI	2,162	2,034
Less: Income tax effect	(513)	(520)
	1,649	1,514
(ii) Other comprehensive income recognised under the equity method	(18)	49
(iii) Others	1	26
Items that may be reclassified subsequently to profit or loss:		
(i) Changes in fair value of debt instruments measured at FVTOCI	3,790	35,463
Less: Amount transferred to profit or loss from other comprehensive income	(2,713)	(1,941)
Less: Income tax effect	(48)	(8,614)
	1,029	24,908
(ii) Credit losses of debt instruments measured at FVTOCI	(161)	1,722
Less: Income tax effect	42	(401)
	(119)	1,321
(iii) Cash flow hedging reserve:		
Gain/(loss) during the period	1,941	(459)
Less: Income tax effect	(193)	(57)
	1,748	(516)
(iv) Other comprehensive income recognised under the equity method	(33)	(426)
(v) Foreign currency translation reserve	(1,755)	9,332
(vi) Others	(4,210)	(7,459)
	(1,708)	28,749

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

35. CASH AND CASH EQUIVALENTS

	30 June 2025	30 June 2024
Cash on hand	68,396	64,790
Balances with central banks other than restricted deposits	268,574	626,190
Deposits with banks and other financial institutions with original maturity of three months or less	380,130	418,552
Placements with banks and other financial institutions with original maturity of three months or less	287,226	270,693
Reverse repurchase agreements with original maturity of three months or less	1,427,584	801,923
	<u>2,431,910</u>	<u>2,182,148</u>

36. INTERESTS IN STRUCTURED ENTITIES

(a) Structured entities sponsored by third party institutions in which the Group holds an interest

The Group holds an interest in some structured entities sponsored by third party institutions through investments in the products issued by these structured entities. Such structured entities include investment funds, asset management plans and asset-backed securities, and trust plans and the Group does not consolidate these structured entities. The nature and purpose of these structured entities are to generate fees from managing assets on behalf of investors and are financed through the issuance of investment products to investors.

The following table sets out an analysis of the carrying amounts and maximum exposure of interests held by the Group in the structured entities sponsored by third party institutions:

	30 June 2025		31 December 2024	
	Carrying amount	Maximum exposure	Carrying amount	Maximum exposure
Investment funds	43,198	43,198	36,587	36,587
Asset management plans and asset-backed securities	73,799	73,799	74,943	74,943
Trust plans	28,529	28,529	30,476	30,476
	<u>145,526</u>	<u>145,526</u>	<u>142,006</u>	<u>142,006</u>

The maximum loss exposures in the above investment funds, asset management plans and asset-backed securities, and trust plans are the carrying amounts which are measured at amortised cost, or the fair value of the investments held by the Group as at the reporting date.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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36. INTERESTS IN STRUCTURED ENTITIES (CONTINUED)

(a) Structured entities sponsored by third party institutions in which the Group holds an interest (continued)

The following tables set out an analysis of the line items in the consolidated statement of financial position in which assets were recognised relating to the Group's interests in structured entities sponsored by third party institutions:

	30 June 2025		
	Financial investments measured at FVTPL	Financial investments measured at FVTOCI	Financial investments measured at amortised cost
Investment funds	42,933	265	-
Asset management plans and asset-backed securities	26,306	33,921	13,572
Trust plans	4,055	21,870	2,604
	<u>73,294</u>	<u>56,056</u>	<u>16,176</u>
	31 December 2024		
	Financial investments measured at FVTPL	Financial investments measured at FVTOCI	Financial investments measured at amortised cost
Investment funds	36,450	137	-
Asset management plans and asset-backed securities	27,921	31,317	15,705
Trust plans	7,143	19,919	3,414
	<u>71,514</u>	<u>51,373</u>	<u>19,119</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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36. INTERESTS IN STRUCTURED ENTITIES (CONTINUED)

(b) Structured entities sponsored by the Group in which the Group does not consolidate but holds an interest

The types of unconsolidated structured entities sponsored by the Group include non-principal-guaranteed wealth management products and investment funds. The nature and purpose of these structured entities are to generate fees from managing assets on behalf of investors. These structured entities are financed through the issuance of investment products to investors. Interest held by the Group includes investments in the products issued by these unconsolidated structured entities and fees charged for providing management services. As at 30 June 2025 and 31 December 2024, the carrying amounts of the investments in the products issued by these structured entities and fee receivables being recognised were not significant in the financial statements. Management fee income earned by the Group was included in fee and commission income of personal wealth management and private banking services and corporate wealth management services set out in Note 4.

As at 30 June 2025, the balance of the unconsolidated non-principal-guaranteed wealth management products and investment funds, which are sponsored by the Group, were RMB1,937,465 million (31 December 2024: RMB2,121,075 million) and RMB2,171,373 million (31 December 2024: RMB2,111,149 million).

For the six months ended 30 June 2025, there were no financing transactions through placements and reverse repurchase agreements from the Group with non-principal-guaranteed wealth management products sponsored by the Group. (six months ended 30 June 2024 average exposure: Nil). The transactions were conducted in the ordinary course of business under normal terms and conditions and at market rates.

(c) Consolidated structured entities

The consolidated structured entities of the Group are primarily the certain investment funds, asset-backed securities and asset management plans issued or initiated and invested by the Group or purchased due to regulatory requirements related to wealth management business. The Group controls these entities because the Group has power over, is exposed to, or has rights to variable returns from its involvement with these entities and has the ability to use its power over these entities to affect the amount of the Group's variable returns.

37. TRANSFERRED FINANCIAL ASSETS

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

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37. TRANSFERRED FINANCIAL ASSETS (CONTINUED)

Repurchase transactions and securities lending transactions

Transferred financial assets that do not qualify for derecognition mainly include debt securities held by counterparties as collateral under repurchase agreements and debt securities lent to counterparties under securities lending agreements. The counterparties are allowed to sell or repledge those securities in the absence of default by the Group but has an obligation to return the securities at the maturity of the contract. For securities lent out, if the securities increase or decrease in value, the Group may in certain circumstances require additional cash collateral from counterparties or return part of the cash collateral to counterparties. The Group has determined that it retains substantially all the risks and rewards of these securities and therefore has not derecognised them. In addition, it recognises a financial liability for cash received as collateral.

Securitisation transactions

The Group transfers credit assets to structured entities which issue asset-backed securities to investors. The Group may acquire some asset-backed securities at the subordinated tranche level and accordingly, may retain parts of the risks and rewards of the transferred credit assets. The Group would determine whether to derecognise the associated credit assets by evaluating the extent to which it retains the risks and rewards of the assets.

For those in which the Group has neither transferred nor retained substantially all the risks and rewards of the transferred credit assets, and retained control of the credit assets, the Group recognises the assets on the consolidated statement of financial position to the extent of the Group's continuing involvement and the rest is derecognised. The extent of the Group's continuing involvement is the extent of the risks and rewards undertaken by the Group with value changes of the transferred financial assets. There were no carrying amount of assets that the Group continues to recognise on the consolidated statement of financial position as at 30 June 2025 (31 December 2024: RMB28,723 million).

As at 30 June 2025, the carrying amount of asset-backed securities held by the Group in securitisation transactions that were qualified for derecognition was RMB907 million (31 December 2024: RMB840 million) , and its maximum exposure approximated to the carrying amount.

With respect to the securitisation of financial assets that do not qualify for derecognition, the relevant financial assets are not derecognised, and the consideration received is recorded as a financial liability. As at 30 June 2025, transferred credit assets that were not qualified for derecognition of the Group amounted to RMB132 million at the time of transfer (31 December 2024: RMB132 million).

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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38. ASSETS PLEDGED AS SECURITY

The Group's collaterals for liabilities or contingent liabilities include financial assets such as securities and bills, which mainly serve as collaterals for repurchase agreements, securities borrowing, derivatives, or local statutory requirements. As at 30 June 2025, the par value of the financial assets of the Group pledged as collateral amounted to approximately RMB1,483,719 million (31 December 2024: approximately RMB2,202,447 million).

39. SHARE APPRECIATION RIGHTS PLAN

The Bank's share appreciation rights plan was approved in 2006, which allows share appreciation rights to be granted to eligible participants including directors, supervisors, senior management and other key personnel designated by the Board of Directors. The share appreciation rights will be granted and exercised based on the price of the Bank's H shares and will be valid for 10 years. As at the approval date of these financial statements, no share appreciation rights have been granted.

40. COMMITMENTS AND CONTINGENT LIABILITIES

(a) Capital commitments

At the end of the reporting period, the Group had capital commitments as follows:

	30 June 2025	31 December 2024
Contracted but not provided for	<u>17,935</u>	<u>19,469</u>

(b) Credit commitments

The Group has outstanding commitments to extend credit including approved loans and undrawn credit card limits.

The Group provides letters of credit and financial guarantees to guarantee the performance of customers to third parties.

Bank acceptances comprise undertakings by the Group to pay bills of exchange drawn on customers. The Group expects most acceptances to be settled simultaneously with the reimbursement from the customers.

The contractual amounts of credit commitments by category are set out below. The amounts disclosed in respect of loan commitments and undrawn credit card limits are under the assumption that the amounts will be fully advanced. The amounts for bank acceptances, letters of credit and guarantees represent the maximum potential losses that would be recognised at the end of the reporting period had the counterparties failed to perform as contracted.

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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40. COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

(b) Credit commitments (continued)

	30 June 2025	31 December 2024
Bank acceptances	893,794	908,973
Guarantees issued		
— Financing letters of guarantees	50,968	40,259
— Non-financing letters of guarantees	635,894	625,887
Sight letters of credit	47,252	51,318
Usance letters of credit	202,272	151,732
Loan commitments		
— With an original maturity of under one year	52,487	43,586
— With an original maturity of one year or over	410,398	415,557
Undrawn credit card limits	1,173,827	1,166,166
	<u>3,466,892</u>	<u>3,403,478</u>
Credit risk-weighted assets of credit commitments	<u>1,169,593</u>	<u>1,190,347</u>

(c) Operating leases

The Group acts as a lessor principally through operating leases undertaken by its subsidiary ICBC Leasing. Under irrevocable operating lease contracts, the expected undiscounted minimum lease payments receivable by the Group in the future period amounted to:

	30 June 2025	31 December 2024
Within one year	17,642	16,846
Over one year but within two years	15,684	15,033
Over two years but within three years	13,810	13,239
Over three years but within five years	23,910	22,993
Over five years	44,868	44,569
	<u>115,914</u>	<u>112,680</u>

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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40. COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

(d) Legal proceedings and arbitrations

The Group is involved in lawsuits and arbitrations during its normal course of operations. As at 30 June 2025, there were a number of legal proceedings and arbitrations outstanding against the Bank and/or its subsidiaries with a total claimed amount of RMB8,326 million (31 December 2024: RMB8,655 million).

In the opinion of management, the Group has made adequate allowance for any probable losses based on the current facts and circumstances, and the ultimate outcome of these lawsuits and arbitrations will not have any significant impact on the financial position or operations of the Group.

(e) Redemption commitments of government bonds and securities underwriting commitments

As an underwriting agent of the MOF, the Bank underwrites certain PRC government bonds and sells the bonds to the general public. The Bank is obliged to redeem these bonds at the discretion of the holders at any time prior to maturity. The redemption price for the bonds is based on the nominal value of the bonds plus any interest accrued up to the redemption date. The MOF will not provide funding for the early redemption of these PRC government bonds on a back-to-back basis but is obliged to repay the principal and the respective interest upon maturity. The redemption obligations, which represent the nominal value of government bonds underwritten and sold by the Group, but not yet matured as at 30 June 2025 were RMB59,504 million (31 December 2024: RMB53,445 million). Management expects that the redemption obligations of these PRC government bonds by the Bank prior to maturity will not be material.

As at 30 June 2025, the Group had no outstanding bond underwriting commitments (31 December, 2024: RMB400 million).

(f) Designated funds and loans

	30 June 2025	31 December 2024
Designated funds	<u>4,544,285</u>	<u>4,586,796</u>
Designated loans	<u>4,544,078</u>	<u>4,586,664</u>

The designated funds represent the funding that the trustors have instructed the Group to use to make loans to third parties as designated by them. The credit risk remains with the trustors.

The designated loans represent the loans granted to specific borrowers designated by the trustors on their behalf according to the entrust agreements signed by the Group and the trustors. The Group does not bear any risk.

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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40. COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

(g) Fiduciary activities

The Group provides custody, trust and asset management services to third parties. Revenue from such activities is included in “net fee and commission income” set out in Note 4. Those assets held in a fiduciary capacity are not included in the Group’s consolidated statement of financial position.

41. RELATED PARTY DISCLOSURES

In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the reporting period:

(a) The MOF

The MOF is a ministry under the State Council of the PRC, primarily responsible for, among others, state fiscal revenues, expenses and taxation policies. As at 30 June 2025, the MOF directly owned approximately 31.14% (31 December 2024: approximately 31.14%) of the issued share capital of the Bank. The Group entered into banking transactions with the MOF in its ordinary course of business. Details of the major transactions are as follows:

	30 June 2025	31 December 2024
Balances at end of the period/year:		
The PRC government bonds and the special government bond	<u>3,800,327</u>	<u>3,325,998</u>
	<u>Six months ended 30 June</u>	<u></u>
	2025	2024
Transactions during the period:		
Interest income on the government bonds	<u>35,226</u>	<u>30,702</u>

Other related party transactions between the Group and enterprises under the control or joint control of the MOF are disclosed in Note 41(i) “Transactions with state-owned entities in the PRC”.

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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41. RELATED PARTY DISCLOSURES (CONTINUED)

(b) Central Huijin Investment Ltd.

Central Huijin Investment Ltd. (“Huijin”) is a wholly-owned subsidiary of China Investment Corporation, and in accordance with the authorisation of the State Government, Huijin makes equity investments in major state-owned financial enterprises, and shall, to the extent of its capital contribution, exercise the rights and perform the obligations as an investor on behalf of the State Government in accordance with applicable laws, to achieve the goal of preserving and enhancing the value of state-owned financial assets. Huijin does not conduct any other businesses or commercial activities nor intervene in the day-to-day business operations of the financial enterprises in which it invests. Huijin was established on 16 December 2003 with a total registered and paid-in capital of RMB828,209 million. As at 30 June 2025, Huijin directly owned approximately 34.79% (31 December 2024: approximately 34.79%) of the issued share capital of the Bank.

As at 30 June 2025, bonds issued by Huijin (“the Huijin Bonds”) held by the Group were of an aggregate face value of RMB65,519 million (31 December 2024: RMB58,897 million), with terms ranging from three to thirty years and coupon rates ranging from 1.76% to 4.20%. The Huijin Bonds are government-backed bonds, short-term bills and medium-term notes. The Group’s subscription of the Huijin Bonds was conducted in the ordinary course of business, in compliance with relevant regulatory and the corporate governance requirements of the Group.

The Group entered into banking transactions with Huijin in the ordinary course of business under normal commercial terms and the transactions were priced based on market rates. Details of the major transactions are as follows:

	30 June 2025	31 December 2024
Balances at end of the period/year:		
Debt securities purchased	67,026	59,573
Loans and advances to customers	62,603	68,139
Due to customers	59,418	35,642
	<u> </u>	<u> </u>
	Six months ended 30 June	
	2025	2024
Transactions during the period:		
Interest income on debt securities purchased	830	590
Interest income on loans and advances to customers	772	1,163
Interest expense on amounts due to customers	163	102
	<u> </u>	<u> </u>

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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41. RELATED PARTY DISCLOSURES (CONTINUED)

(b) Central Huijin Investment Ltd. (continued)

Huijin holds equity interests in certain other banks and financial institutions under the direction of the State Government. The Group entered into transactions with these banks and financial institutions in the ordinary course of business under normal commercial terms and the transactions were priced based on market rates. Management considers that these banks and financial institutions are competitors of the Group. Details of major transactions conducted with these banks and financial institutions are as follows:

	30 June 2025	31 December 2024
Balances at end of the period/year:		
Debt securities purchased	973,553	1,153,794
Due from banks and other financial institutions	337,014	273,219
Reverse repurchase agreements	134,947	84,763
Loans and advances to customers	5,852	2,544
Derivative financial assets	4,134	6,206
Due to banks and other financial institutions	452,690	396,947
Repurchase agreements	48,800	3,400
Derivative financial liabilities	9,473	31,419
Due to customers	35,105	12,947
Credit commitments	26,948	7,924
	<u>2025</u>	<u>2024</u>
	Six months ended 30 June	
Transactions during the period:		
Interest income on debt securities purchased	9,450	11,324
Interest income on amounts due from banks and other financial institutions	2,090	1,440
Interest income on reverse repurchase agreements	45	10
Interest income on loans and advances to customers	45	39
Interest expense on amounts due to banks and other financial institutions	3,225	1,916
Interest expense on repurchase agreements	2	3
Interest expense on amounts due to customers	157	135

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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41. RELATED PARTY DISCLOSURES (CONTINUED)

(c) National Council for Social Security Fund of the People's Republic of China

National Council for Social Security Fund (the “SSF”) is a public institution managed by the MOF. It is the management and operating organisation of the national social security fund. As at 30 June 2025, the SSF held approximately 5.34% (31 December 2024: approximately 5.31%) of the Bank's issued share capital. The Group entered into banking transactions with the SSF in the ordinary course of business under normal commercial terms and the transactions were priced based on market rates. Details of the major transactions are as follows:

	30 June 2025	31 December 2024
Balances at end of the period/year:		
Deposited funds	<u>308,900</u>	<u>227,000</u>
	<u>Six months ended 30 June</u>	
	2025	2024
Transactions during the period:		
Interest expense	<u>4,959</u>	<u>3,955</u>

(d) Subsidiaries

	30 June 2025	31 December 2024
Balances at end of the period/year:		
Financial investments	38,451	39,769
Due from banks and other financial institutions	350,920	366,583
Reverse repurchase agreements	8,200	7,398
Loans and advances to customers	77,396	90,772
Derivative financial assets	3,720	5,971
Due to banks and other financial institutions	513,699	482,000
Repurchase agreements	20,972	2,924
Derivative financial liabilities	10,696	9,303
Credit commitments	<u>29,758</u>	<u>26,354</u>

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41. RELATED PARTY DISCLOSURES (CONTINUED)

(d) Subsidiaries (continued)

	Six months ended 30 June	
	2025	2024
Transactions during the period:		
Interest income on financial investments	935	1,010
Interest income on amounts due from banks and other financial institutions	1,525	1,058
Interest income on reverse repurchase agreements	16	9
Interest income on loans and advances to customers	1,402	1,389
Interest expense on amounts due to banks and other financial institutions	2,694	2,360
Interest expense on repurchase agreements	101	10
Fee and commission income	2,146	3,115

The major balances and transactions with subsidiaries have been eliminated in the financial statements.

(e) Associates and affiliates

	30 June 2025	31 December 2024
Balances at end of the period/year:		
Due from banks and other financial institutions	1,832	722
Reverse repurchase agreements	1,933	1,837
Loans and advances to customers	8,944	4,894
Derivative financial assets	1,834	1,825
Due to banks and other financial institutions	3,929	2,554
Due to customers	932	2,968
Derivative financial liabilities	1,836	1,587
Credit commitments	7,198	8,293

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41. RELATED PARTY DISCLOSURES (CONTINUED)

(e) Associates and affiliates (continued)

	Six months ended 30 June	
	2025	2024
Transactions during the period:		
Interest income on debt securities purchased	-	133
Interest income on amounts due from banks and other financial institutions	8	22
Interest income on reverse repurchase agreements	73	0
Interest income on loans and advances to customers	115	96
Interest expense on amounts due to banks and other financial institutions	149	102
Interest expense on amounts due to customers	2	38

Transactions between the Group and the aforementioned parties were conducted under normal commercial terms and conditions and priced based on market rates.

(f) Joint ventures and affiliates

	30 June 2025	31 December 2024
Balances at end of the period/year:		
Loans and advances to customers	5	217
Due to banks and other financial institutions	60	643
Due to customers	119	139
	Six months ended 30 June	
	2025	2024
Transactions during the period:		
Interest income on loans and advances to customers	0	2
Interest expense on amounts due to banks and other financial institutions	0	2
Interest expense on amounts due to customers	0	0

Transactions between the Group and the aforementioned parties were conducted in the ordinary course of business under normal terms and conditions and priced based on market rates.

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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41. RELATED PARTY DISCLOSURES (CONTINUED)

(g) Key management personnel

The key management personnel are those persons who have the authority and responsibility to plan, direct and control the activities of the Group, directly or indirectly, including members of the Board of Directors and the Board of Supervisors, and executive officers.

The aggregate compensation of key management personnel is as follows:

	Six months ended 30 June	
	2025	2024
	In RMB'000	In RMB'000
Salaries and benefits	5,530	6,042

Related parties of the Group include key management personnel of the Group and their close relatives, as well as companies controlled, jointly controlled or significantly influenced by key management personnel or their close relatives.

For the six months ended 30 June 2025, there were no material transactions and balances with key management personnel individually or in the aggregate (six months ended 30 June 2024: Immaterial). The Group entered into banking transactions with key management personnel in the ordinary course of business.

The aggregate balance of loans and credit card overdrafts to the persons who are considered as related parties according to the relevant rules of Shanghai Stock Exchange was RMB0.33 million as at 30 June 2025 (31 December 2024: RMB0.23 million).

The Bank's aggregate balance of loans and credit card overdrafts to the persons who are considered as related parties according to the relevant rules of the NFRA was RMB126.41 million as at 30 June 2025 (31 December 2024: RMB113.31 million).

The transactions between the Group and the aforementioned parties were conducted in the ordinary course of business under normal terms and conditions and priced based on market rates.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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41. RELATED PARTY DISCLOSURES (CONTINUED)

(h) Annuity fund

Apart from the obligations for defined contributions to the annuity fund established by the Bank, annuity fund held A shares of the Bank with market value of RMB13.32 million as at 30 June 2025 (31 December 2024: RMB42.43 million), and bonds issued by the Bank of RMB762.99 million as at 30 June 2025 (31 December 2024: RMB809.16 million).

(i) Transactions with state-owned entities in the PRC

The Group operates in an economic environment predominated by enterprises directly or indirectly owned and/or controlled by the Government through its authorities, affiliates or other organisations (collectively the “state-owned entities”). During the reporting period, the Group entered into extensive banking transactions with these state-owned entities including, but not limited to, lending and deposit taking, taking and placing of interbank balances, entrusted lending and the provision of intermediary services, the sale, purchase, underwriting and redemption of bonds issued by other state-owned entities, and the sale, purchase, and leasing of properties and other assets.

The transactions with state-owned entities are activities conducted in the ordinary course of business under normal terms and conditions and priced based on market rates, and the dealings of the Group have not been significantly or unduly affected by the fact that the Group and those state-owned entities are ultimately controlled or owned by the Government. The Group has also established pricing policies for products and services and such pricing policies do not depend on whether or not the customers are state-owned entities.

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

41. RELATED PARTY DISCLOSURES (CONTINUED)

(j) Proportion of major related party transactions

The major balances and transactions with subsidiaries have been eliminated in the financial statements. When calculating the proportion of related party transactions, transactions with the subsidiaries are excluded.

	30 June 2025		31 December 2024	
	Balance	Percentage	Balance	Percentage
Financial investments	4,840,906	31.09%	4,539,365	32.07%
Due from banks and other financial institutions	338,846	27.16%	273,941	22.46%
Reverse repurchase agreements	136,880	7.72%	86,600	7.16%
Loans and advances to customers	77,404	0.26%	75,794	0.27%
Derivative financial assets	5,968	4.65%	8,031	3.61%
Due to banks and other financial institutions	456,679	8.83%	400,144	8.72%
Repurchase agreements	48,800	2.83%	3,400	0.22%
Derivative financial liabilities	11,309	9.82%	33,006	16.69%
Due to customers	404,474	1.10%	278,696	0.80%
Credit commitments	34,146	0.98%	16,217	0.48%
Six months ended 30 June				
	2025		2024	
	Amount	Percentage	Amount	Percentage
Interest income	48,654	7.22%	45,521	6.31%
Interest expense	8,657	2.40%	6,253	1.54%

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

42. SEGMENT INFORMATION

(a) Operating segments

The Group is organised into different operating segments, namely corporate banking, personal banking and treasury operations, based on internal organisation structure, management requirements and internal reporting system.

Corporate banking

The corporate banking segment covers the provision of financial products and services to corporations, government agencies and financial institutions. The products and services include corporate loans, trade financing, deposit-taking activities, corporate wealth management services, custody activities and various types of corporate intermediary services.

Personal banking

The personal banking segment covers the provision of financial products and services to individual customers. The products and services include personal loans, deposit-taking activities, card business, personal wealth management services and various types of personal intermediary services.

Treasury operations

The treasury operations segment covers the Group's treasury operations which include money market transactions, investment securities, foreign exchange transactions and the holding of derivative positions for its own accounts or on behalf of customers.

Others

This segment covers the Group's assets, liabilities, income and expenses that are not directly attributable or cannot be allocated to a segment on a reasonable basis.

Management monitors the operating results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group.

Transactions between segments mainly represent the provision of funding to and from individual segments. The internal transfer pricing of these transactions is determined with reference to the market rates and has been reflected in the performance of each segment. Net interest income and expense arising on internal fund transfer are referred to as "internal net interest income or expense". Net interest income and expense relating to third parties are referred to as "external net interest income or expense".

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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42. SEGMENT INFORMATION (CONTINUED)

(a) Operating segments (continued)

Segment revenues, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The basis for allocation is mainly based on occupation of or contribution to resources. Income taxes are managed on a group basis and are not allocated to operating segments.

	Six months ended 30 June 2025				
	Corporate banking	Personal banking	Treasury operations	Others	Total
External net interest income/(expense)	182,289	(2,040)	133,327	-	313,576
Internal net interest (expense)/income	(32,087)	138,952	(106,865)	-	-
Net fee and commission income	42,917	23,430	673	-	67,020
Other income, net (i)	4,604	1,751	20,781	1,350	28,486
Operating income	197,723	162,093	47,916	1,350	409,082
Operating expenses	(43,143)	(55,486)	(9,061)	(880)	(108,570)
Impairment (losses)/gains on assets (ii)	(91,012)	(13,838)	220	101	(104,529)
Operating profit	63,568	92,769	39,075	571	195,983
Share of results of associates and joint ventures	-	-	-	3,025	3,025
Profit before taxation	63,568	92,769	39,075	3,596	199,008
Income tax expense					(30,205)
Profit for the period					168,803
Other segment information:					
Depreciation and amortisation	4,959	6,319	1,710	65	13,053
Capital expenditure	6,986	9,591	2,413	97	19,087

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

42. SEGMENT INFORMATION (CONTINUED)

(a) Operating segments (continued)

	30 June 2025				
	Corporate banking	Personal banking	Treasury operations	Others	Total
Segment assets	20,574,451	9,730,415	21,784,021	132,430	52,221,317
Including: Investments in associates and joint ventures	-	-	-	77,716	77,716
Property and equipment	101,117	144,724	35,403	20,686	301,930
Other non-current assets (iii)	36,492	20,129	7,394	21,603	85,618
Unallocated assets					96,614
Total assets					<u>52,317,931</u>
Segment liabilities	17,100,993	20,818,621	10,043,719	186,102	48,149,435
Unallocated liabilities					29,620
Total liabilities					<u>48,179,055</u>
Other segment information:					
Credit commitments	<u>2,293,093</u>	<u>1,173,799</u>	<u>-</u>	<u>-</u>	<u>3,466,892</u>

- (i) Includes net trading income, net gains on financial investments and other net operating income and expenses.
- (ii) Includes credit impairment losses and impairment losses on other assets.
- (iii) Includes intangible assets, goodwill, long-term deferred expenses, right-of-use assets and other non-current assets.

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

42. SEGMENT INFORMATION (CONTINUED)

(a) Operating segments (continued)

	Six months ended 30 June 2024				
	Corporate banking	Personal banking	Treasury operations	Others	Total
External net interest income	164,619	14,155	135,176	-	313,950
Internal net interest (expense)/income	(24,253)	124,492	(100,239)	-	-
Net fee and commission income	43,380	23,412	613	-	67,405
Other income, net (i)	3,593	392	14,199	2,460	20,644
Operating income	187,339	162,451	49,749	2,460	401,999
Operating expenses	(42,728)	(53,025)	(7,156)	(2,299)	(105,208)
Impairment (losses)/gains on assets (ii)	(51,991)	(45,906)	(4,519)	347	(102,069)
Operating profit	92,620	63,520	38,074	508	194,722
Share of results of associates and joint ventures	-	-	-	2,462	2,462
Profit before taxation	92,620	63,520	38,074	2,970	197,184
Income tax expense					(25,888)
Profit for the period					171,296
Other segment information:					
Depreciation and amortisation	5,157	6,484	1,363	53	13,057
Capital expenditure	6,618	8,689	1,759	69	17,135

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

42. SEGMENT INFORMATION (CONTINUED)

(a) Operating segments (continued)

	31 December 2024				
	Corporate banking	Personal banking	Treasury operations	Others	Total
Segment assets	19,463,926	9,029,477	20,083,673	154,623	48,731,699
Including: Investments in associates and joint ventures	-	-	-	73,357	73,357
Property and equipment	108,819	140,972	30,283	22,313	302,387
Other non-current assets (iii)	38,610	20,360	6,161	21,172	86,303
Unallocated assets					<u>90,047</u>
Total assets					<u>48,821,746</u>
Segment liabilities	16,419,197	19,534,790	8,684,636	159,699	44,798,322
Unallocated liabilities					<u>36,158</u>
Total liabilities					<u>44,834,480</u>
Other segment information:					
Credit commitments	<u>2,238,406</u>	<u>1,165,072</u>	<u>-</u>	<u>-</u>	<u>3,403,478</u>

- (i) Includes net trading income, net gains on financial investments and other net operating expenses.
- (ii) Includes credit impairment losses and impairment losses on other assets.
- (iii) Includes intangible assets, goodwill, long-term deferred expenses, right-of-use assets and other non-current assets.

(b) Geographical information

The Group operates principally in Chinese mainland, and also has branches or subsidiaries operating outside Chinese mainland. The distribution of the geographical areas is as follows.

Chinese mainland (Head Office and domestic branches)

Head Office (“HO”): the HO business divisions (including institutions directly managed by the HO and its offices);
Yangtze River Delta: including Shanghai, Jiangsu, Zhejiang and Ningbo;
Pearl River Delta: including Guangdong, Shenzhen, Fujian and Xiamen;
Bohai Rim: including Beijing, Tianjin, Hebei, Shandong and Qingdao;
Central China: including Shanxi, Henan, Hubei, Hunan, Anhui, Jiangxi and Hainan;
Western China: including Chongqing, Sichuan, Guizhou, Yunnan, Guangxi, Shaanxi, Gansu, Qinghai, Ningxia, Xinjiang, Inner Mongolia and Tibet; and
Northeastern China: including Liaoning, Heilongjiang, Jilin and Dalian.

Overseas and others

Branches located outside Chinese mainland, domestic and overseas subsidiaries, and investments in associates and joint ventures.

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

42. SEGMENT INFORMATION (CONTINUED)

(b) Geographical information (continued)

	Six months ended 30 June 2025									Total
	Chinese mainland (HO and domestic branches)							Overseas and others	Eliminations	
	Head Office	Yangtze River Delta	Pearl River Delta	Bohai Rim	Central China	Western China	Northeastern China			
External net interest income/(expense)	145,458	42,300	30,517	(6,175)	34,109	46,799	(1,806)	22,374	-	313,576
Internal net interest (expense)/income	(146,885)	21,450	12,061	81,351	14,005	7,000	14,013	(2,995)	-	-
Net fee and commission income	14,934	14,399	6,727	10,467	6,555	5,913	1,168	7,693	(836)	67,020
Other income/(expense), net (i)	15,647	(645)	(533)	421	(225)	(104)	352	12,789	784	28,486
Operating income	29,154	77,504	48,772	86,064	54,444	59,608	13,727	39,861	(52)	409,082
Operating expenses	(15,101)	(15,684)	(11,099)	(18,184)	(14,621)	(15,677)	(5,235)	(13,021)	52	(108,570)
Impairment losses on assets (ii)	(34,122)	(12,076)	(15,786)	(9,452)	(15,441)	(12,426)	(1,371)	(3,855)	-	(104,529)
Operating (loss)/profit	(20,069)	49,744	21,887	58,428	24,382	31,505	7,121	22,985	-	195,983
Share of results of associates and joint ventures	-	-	-	-	-	-	-	3,025	-	3,025
(Loss)/profit before taxation	(20,069)	49,744	21,887	58,428	24,382	31,505	7,121	26,010	-	199,008
Income tax expense										(30,205)
Profit for the period										168,803
Other segment information:										
Depreciation and amortisation	2,036	2,035	1,327	1,898	1,763	1,981	685	1,328	-	13,053
Capital expenditure	1,434	1,161	578	937	1,138	875	323	12,641	-	19,087

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

42. SEGMENT INFORMATION (CONTINUED)

(b) Geographical information (continued)

	30 June 2025									Total
	Chinese mainland (HO and domestic branches)							Overseas and others	Eliminations	
	Head Office	Yangtze River Delta	Pearl River Delta	Bohai Rim	Central China	Western China	Northeastern China			
Assets by geographical areas	7,413,242	14,762,702	8,367,233	7,592,815	5,705,449	6,663,084	1,820,565	5,848,992	(5,952,765)	52,221,317
Including: Investments in associates and joint ventures	-	-	-	-	-	-	-	77,716	-	77,716
Property and equipment	11,825	29,647	13,269	17,822	16,081	19,474	7,113	186,699	-	301,930
Other non-current assets (iii)	28,891	6,641	5,463	6,628	8,091	9,781	2,083	18,091	(51)	85,618
Unallocated assets										96,614
Total assets										52,317,931
Liabilities by geographical areas	4,004,847	13,152,800	7,347,309	12,004,661	5,891,298	6,061,194	2,721,954	2,918,137	(5,952,765)	48,149,435
Unallocated liabilities										29,620
Total liabilities										48,179,055
Other segment information:										
Credit commitments	1,191,851	1,828,593	1,043,673	1,355,740	907,166	1,081,006	189,177	903,475	(5,033,789)	3,466,892

(i) Includes net trading income, net gains on financial investments and other net operating income and expenses.

(ii) Includes credit impairment losses and impairment losses on other assets.

(iii) Includes intangible assets, goodwill, long-term deferred expenses, right-of-use assets and other non-current assets.

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

42. SEGMENT INFORMATION (CONTINUED)

(b) Geographical information (continued)

	Six months ended 30 June 2024									Total
	Chinese mainland (HO and domestic branches)							Overseas and others	Eliminations	
	Head Office	Yangtze River Delta	Pearl River Delta	Bohai Rim	Central China	Western China	Northeastern China			
External net interest income/(expense)	155,819	29,047	28,447	(10,400)	34,911	46,960	1,314	27,852	-	313,950
Internal net interest (expense)/income	(173,503)	34,111	18,020	83,746	16,833	11,371	11,997	(2,575)	-	-
Net fee and commission income	14,186	14,076	7,924	10,866	6,675	6,147	1,505	6,971	(945)	67,405
Other income/(expense), net (i)	13,346	(84)	(491)	(420)	(273)	(521)	(124)	8,282	929	20,644
Operating income	9,848	77,150	53,900	83,792	58,146	63,957	14,692	40,530	(16)	401,999
Operating expenses	(13,013)	(15,719)	(11,139)	(17,390)	(14,862)	(15,705)	(5,225)	(12,171)	16	(105,208)
Impairment losses on assets (ii)	(20,373)	(13,323)	(21,283)	(9,193)	(16,760)	(15,771)	(2,870)	(2,496)	-	(102,069)
Operating (loss)/profit	(23,538)	48,108	21,478	57,209	26,524	32,481	6,597	25,863	-	194,722
Share of results of associates and joint ventures	-	-	-	-	-	-	-	2,462	-	2,462
(Loss)/profit before taxation	(23,538)	48,108	21,478	57,209	26,524	32,481	6,597	28,325	-	197,184
Income tax expense										(25,888)
Profit for the period										171,296
Other segment information:										
Depreciation and amortisation	2,091	2,050	1,399	1,929	1,784	2,037	740	1,027	-	13,057
Capital expenditure	1,105	1,255	907	1,056	986	918	308	10,600	-	17,135

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

42. SEGMENT INFORMATION (CONTINUED)

(b) Geographical information (continued)

	31 December 2024									Total
	Chinese mainland (HO and domestic branches)							Overseas and others	Eliminations	
	Head Office	Yangtze River Delta	Pearl River Delta	Bohai Rim	Central China	Western China	Northeastern China			
Assets by geographical areas	7,841,046	12,434,709	7,718,129	7,246,667	5,406,280	6,270,179	1,696,003	5,753,936	(5,635,250)	48,731,699
Including: Investments in associates and joint ventures	-	-	-	-	-	-	-	73,357	-	73,357
Property and equipment	11,869	30,333	13,457	18,533	16,764	20,374	7,490	183,567	-	302,387
Other non-current assets (iii)	18,869	6,878	5,741	6,897	8,377	9,832	2,140	27,641	(72)	86,303
Unallocated assets										90,047
Total assets										48,821,746
Liabilities by geographical areas	4,716,988	11,143,759	6,759,439	11,183,389	5,441,641	5,672,095	2,560,972	2,955,289	(5,635,250)	44,798,322
Unallocated liabilities										36,158
Total liabilities										44,834,480
Other segment information:										
Credit commitments	1,182,427	1,809,734	1,083,228	1,190,983	859,622	954,749	178,126	834,035	(4,689,426)	3,403,478

(i) Includes net trading income, net gains on financial investments and other net operating expenses.

(ii) Includes credit impairment losses and impairment losses on other assets.

(iii) Includes intangible assets, goodwill, long-term deferred expenses, right-of-use assets and other non-current assets.

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

43. FINANCIAL RISK MANAGEMENT

The Board of Directors has the ultimate responsibility for risk management and oversees the Group's risk management system through the Risk Management Committee and the Audit Committee of the Board.

The President supervises risk management and reports directly to the Board of Directors. He chairs two management committees including the Risk Management Committee and the Asset and Liability Management Committee, which set the risk management strategies and appetite, evaluate and formulate risk management policies and procedures, and make recommendations through the President to the Risk Management Committee of the Board. The Chief Risk Officer assists the President to supervise the Bank's risk management and make decisions.

The Group has clearly defined the roles of each department in monitoring financial risks within the Group. The Credit Management Department monitors credit risk, the Risk Management Department together with the Asset and Liability Management Department monitor market and liquidity risks, and the Internal Control and Compliance Department monitors operational risk. The Risk Management Department is primarily responsible for establishing and coordinating a comprehensive risk management framework, preparing consolidated reports on credit risk, market risk and operational risk and reporting directly to the Chief Risk Officer.

The Bank maintains a dual-reporting risk management structure at the branch level. Under this structure, the risk management department of the branches report to both the Group Risk Management Department and the management of the branches.

(a) Credit risk

Definition and scope

Credit risk is the risk of loss arising from a borrower or counterparty's failure to perform its obligations. Operational failures which result in unauthorised or inappropriate guarantees, financial commitments or investments by the Group may also give rise to credit risk. The Group's credit risk is mainly attributable to its credit assets, due from banks and other financial institutions and financial investments.

The Group is also exposed to credit risk in other areas. The derivative financial assets recorded in the consolidated statement of financial position also reflects the credit risk associated with derivative financial instruments. In addition, the Group provides guarantees for customers and may therefore be required to make payments on their behalf. These payments would be recovered from customers in accordance with the terms of the agreement. Therefore, the Group assumes a credit risk similar to that arising from loans and applies the same risk control procedures and policies to reduce risks.

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

43. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

Credit risk assessment method

Staging of financial instruments

The Group classifies financial instruments into following three stages and makes provisions for expected credit loss accordingly, depending on whether credit risk on that financial instrument has increased significantly since initial recognition and whether the assets have been credit-impaired.

Stage 1: For a financial instrument of which the credit risk has not significantly increased since initial recognition, the amount equal to 12-month expected credit losses is recognised as loss allowance.

Stage 2: For a financial instrument with a significant increase in credit risk since initial recognition but not considered to be credit-impaired, the amount equal to lifetime expected credit losses is recognised as loss allowance.

Stage 3: For a financial instrument considered to be credit-impaired as at end of the reporting period, the amount equal to lifetime expected credit losses is recognised as loss allowance.

Classification of credit risk exposures

The Group classifies credit risk exposures of expected credit losses with sufficient information by considering factors such as internal ratings-based (“IRB”) segmentation, product types, customer types, industry risk characteristics, and response to macro-economic changes.

Significant increase in credit risk

The assessment of significant increase in credit risk since initial recognition is performed at least on a quarterly basis for financial instruments held by the Group. The Group takes into consideration all reasonable and supportable information (including forward-looking information) that reflects significant change in credit risk for the purposes of staging of financial instruments. The main considerations are regulatory and operating environment, internal and external credit risk rating, debt-servicing capacity, operating capabilities, contractual terms, and repayment behaviour and willingness. The Group compares the risk of default of a single financial instrument or a portfolio of financial instruments with similar credit risk characteristics as at the end of the reporting period and its risk of default at the date of initial recognition to determine changes in the risk of default over the expected lifetime of a financial instrument or a portfolio of financial instruments. In determining whether credit risk of a financial instrument has increased significantly since initial recognition, the Group considers factors indicating whether the probability of default has risen above threshold, the background for financing have been authenticated, the financial instrument has been past due for more than 30 days, the loan has been modified in payment term of principal or interest, any significant negative issue has been arisen and any other indicators of increase in risk have been noticed.

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

43. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

Definition of default

The Group defines a corporate borrower as in default when it meets one or more of the following criteria:

- (i) The principal or interest of any credit business is past due more than 90 days (not inclusive) to the Group;
- (ii) The corporate borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as liquidation against collateral; or
- (iii) The corporate borrower has the matters refer to in (i) or (ii) above in other financial institutions.

The Group defines a retail business borrower as in default when any single credit asset of a borrower meets one or more of the following criteria:

- (i) The principal or interest of loan is past due more than 90 days (not inclusive);
- (ii) The retail business borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as liquidation against collateral.

Impairment assessment

A financial asset is generally considered to be credit-impaired if:

- it has been overdue for more than 90 days (not inclusive);
- in light of economic, legal or other factors, the Group has made concessions to a borrower in financial difficulties, which would otherwise have been impossible under normal circumstances;
- it is probable that the borrower will be insolvent or carry out other financial restructurings;
- due to serious financial difficulties, the financial asset cannot continue to be traded in an active market; and
- there are other objective evidences that indicate the financial asset is impaired.

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

43. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

Parameters, assumptions and estimation techniques

Loss allowance for a financial instrument is measured at an amount equal to 12-month ECL or lifetime ECL depending on whether a significant increase in credit risk on that financial instrument has occurred since initial recognition and whether an asset is considered to be credit-impaired. ECL for loans and advances to customers, other than those corporate loans and advance to customers which are credit-impaired, is measured using the risk parametric modelling method. The key parameters include Probability of Default (“PD”), Loss Given Default (“LGD”), and Exposure at Default (“EAD”), considering the time value of money.

PD is the possibility that a customer will default on its obligation within a certain period of time in light of forward-looking information. The Group’s PD is adjusted based on the results of the IRB approach under the New Basel Capital Accord, taking the forward-looking information into account and deducting the prudential adjustment to reflect the debtor’s point-in-time PD under the current macro-economic environment.

LGD is the magnitude of the likely loss if there is a default in light of forward-looking information. LGD depends on the type of counterparty, the method and priority of the recourse, and the type of collateral, taking the forward-looking adjustments into account.

EAD refers to the total amount of on- and off-balance sheet exposures in the event of default and is determined based on the historical repayment records.

The assumptions underlying the ECL calculation, such as how the PDs and LGDs of different maturity profiles change are monitored and reviewed on a quarterly basis by the Group.

The calculation of impairment loss on credit-impaired corporate loans and advance to customers applies the discounted cash flow method. If there is objective evidence that an impairment loss on a loan or advance has incurred, the amount of the loss is measured as the difference between the asset’s gross carrying amount and the present value of estimated future cash flows discounted at the asset’s effective interest rate. The allowance for impairment loss is deducted in the carrying amount. The impairment loss is recognised in the consolidated statement of profit or loss. In determining allowances, the following factors are considered:

- the sustainability of the borrower’s business plan;
- the borrower’s ability to improve performance when a financial difficulty arises;
- the estimated recoverable cash flows from projects and liquidation;
- the availability of other financial support and the realisable value of collateral; and
- the timing of the expected cash flows.

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

43. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

Parameters, assumptions and estimation techniques (continued)

It may not be possible to identify a single, or discrete events that result in the impairment, but it may be possible to identify impairment through the combined effect of several events. The impairment losses are evaluated at the end of each reporting period unless there are other unforeseen circumstances.

Forward-looking information contained in ECL

The assessment of significant increase in credit risk and the calculation of ECL incorporate forward-looking information. The Group has performed historical data analysis and identified Gross Domestic Product (“GDP”), Consumer Price Index (“CPI”), Broad Money Supply (“M2”), Consumer Confidence Index and other macro-economic indicators as impacting the ECL for each portfolio. The impact of these economic variables on the PD and LGD has been determined by performing statistical regression analysis to understand the correlations among the historical changes of the economic variables, PD and LGD. The impact of these economic variables on the PD and LGD varies according to different types of business. Forecasts of these economic variables are carried out at least quarterly by the Group to provide the best estimate view of the economy over the next year.

When calculating the weighted average ECL provision, the Group determines the optimistic, neutral and pessimistic scenarios and their weightings through a combination of macro-statistical analysis and expert judgement. The optimistic and pessimistic scenarios are of comparable weightings, of which, the weighting of neutral scenario is slightly higher than that of the other two scenarios. The weightings of the scenarios are consistent with those as at 31 December 2024.

As at 30 June 2025, the Group has taken into account different macro-economic scenarios, combined with the impact of factors such as effect of prior period base data on economic development trends, and made forward-looking forecasts of macro-economic indicators. Of which, the year-on-year GDP growth rate used to estimate ECL under neutral scenario is about 5.0%, and forecasts under optimistic scenario and pessimistic scenario are formed by floating up and down a certain level respectively on the basis of the forecast under neutral scenario.

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

43. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

Financial assets contract modification

The Group might modify the terms of loan with a customer based on commercial renegotiations, or when the customer is in financial difficulty, with a view to maximising the recovery of loan.

Such modifications include restructuring the loan to provide extended payment term arrangements, payment holidays or payment forgiveness. Restructuring policies and practices are based on indicators or criteria which, in the judgement of management, indicate that payment will most likely continue, and these policies and practices are reviewed regularly. Such restructures are especially common for medium-term and long-term loans.

The following table includes carrying amount of rescheduled loans and advance to customers:

	30 June 2025	31 December 2024
Rescheduled loans and advances to customers	140,962	139,086
Including: Impaired loans and advances to customers	<u>44,854</u>	<u>41,821</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(In RMB millions, unless otherwise stated)

43. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

Collateral and other credit enhancements

The amount and type of collateral required depend on the assessment of credit risk of the counterparty. Guidelines are in place specifying the types of collateral and valuation parameters which can be accepted.

Reverse repurchase business is mainly collateralised by bills and marketable securities. As part of certain reverse repurchase agreements, the Group has received collateral that it is allowed to sell or repledge in the absence of default by their owners.

Corporate loans and discounted bills are mainly collateralised by properties or other assets. As at 30 June 2025, the gross carrying amount of corporate loans and discounted bills amounted to RMB21,018,297 million (31 December 2024: RMB19,414,509 million) , of which credit exposure covered by collateral amounted to RMB5,079,519 million (31 December 2024:RMB4,779,598 million).

Personal loans are mainly collateralised by residential properties. As at 30 June 2025, the gross carrying amount of personal loans amounted to RMB9,167,362 million (31 December 2024: RMB8,957,720 million) ,of which credit exposure covered by collateral amounted to RMB7,629,694 million (31 December 2024: RMB7,590,566 million).

The Group prefers more liquid collateral with relatively stable market value and does not accept collateral that is illiquid, with difficulties in registration or high fluctuations in market value. The value of collateral should be appraised and confirmed by the Group or valuation agencies engaged by the Group. The value of collateral should adequately cover the outstanding balance of loans. The Group takes into consideration the types of collateral, state of condition, liquidity, price volatility and realisation cost to determine the loan-to-value ratio of collateral. All collateral has to be registered in accordance with the relevant laws and regulations. The credit officers inspect the collateral and assess the changes in the value of collateral regularly.

The Group monitors the market value of the collateral and when needed, require additional collateral according to agreements. The Group disposes of repossessed assets in an orderly manner.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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43. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

Collateral and other credit enhancements (continued)

- (i) Maximum exposure to credit risk without taking into account of any collateral and other credit enhancements

As at the end of the reporting period, the maximum credit risk exposure of the Group without taking into account any collateral and other credit enhancements is set out below:

	30 June 2025	31 December 2024
Balances with central banks	2,987,376	3,250,842
Due from banks and other financial institutions	1,247,437	1,219,876
Derivative financial assets	128,229	222,361
Reverse repurchase agreements	1,772,664	1,210,217
Loans and advances to customers	29,371,887	27,613,781
Financial investments		
Financial investments measured at FVTPL	704,151	770,192
Financial investments measured at FVTOCI	3,917,300	3,205,926
Financial investments measured at amortised cost	10,595,217	9,851,985
Others	158,685	131,680
	<u>50,882,946</u>	<u>47,476,860</u>
Credit commitments	<u>3,466,892</u>	<u>3,403,478</u>
Maximum credit risk exposure	<u><u>54,349,838</u></u>	<u><u>50,880,338</u></u>

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
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43. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

Collateral and other credit enhancements (continued)

(ii) Risk concentrations

Credit risk is often greater when counterparties are concentrated in one single industry or geographic location or have comparable economic features. In addition, different geographic areas and industrial sectors have their unique characteristics in terms of economic development, and could present a different credit risk.

(1) Loans and advances to customers

By geographical distribution

The composition of the Group's gross loans and advances to customers (excluding accrued interest) by geographical distribution is as follows:

	30 June 2025		31 December 2024	
	Amount	Percentage	Amount	Percentage
Head Office	899,431	2.98%	874,284	3.08%
Yangtze River Delta	6,652,560	22.03%	6,182,636	21.78%
Pearl River Delta	4,550,608	15.08%	4,348,121	15.33%
Bohai Rim	5,063,684	16.78%	4,677,575	16.49%
Central China	4,764,402	15.78%	4,416,409	15.57%
Western China	5,563,063	18.43%	5,233,652	18.45%
Northeastern China	1,189,425	3.94%	1,158,000	4.08%
Overseas and others	1,502,486	4.98%	1,481,552	5.22%
Total	<u>30,185,659</u>	<u>100.00%</u>	<u>28,372,229</u>	<u>100.00%</u>

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

43. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

Collateral and other credit enhancements (continued)

(ii) Risk concentrations (continued)

(1) Loans and advances to customers (continued)

By industry

The composition of the Group's gross loans and advances to customers (excluding accrued interest) by industry is as follows:

	30 June 2025	31 December 2024
Transportation, storage and postal services	4,189,495	4,051,167
Manufacturing	2,902,037	2,575,716
Leasing and commercial services	2,781,886	2,523,970
Water, environment and public utility management	1,938,760	1,863,449
Production and supply of electricity, heating, gas and water	1,966,328	1,868,505
Real estate	1,122,274	1,110,747
Wholesale and retail	973,608	831,967
Finance	880,053	842,033
Construction	615,226	516,972
Science, education, culture and sanitation	474,011	426,677
Mining	425,416	374,331
Others	560,436	496,689
Subtotal for corporate loans	<u>18,829,530</u>	<u>17,482,223</u>
Personal mortgage and business loans	7,906,161	7,761,161
Others	1,261,201	1,196,559
Subtotal for personal loans	<u>9,167,362</u>	<u>8,957,720</u>
Discounted bills	<u>2,188,767</u>	<u>1,932,286</u>
Total for loans and advances to customers	<u>30,185,659</u>	<u>28,372,229</u>

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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43. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

Collateral and other credit enhancements (continued)

(ii) Risk concentrations (continued)

(1) Loans and advances to customers (continued)

By collateral

The composition of the Group's gross loans and advances to customers (excluding accrued interest) by collateral is as follows:

	30 June 2025	31 December 2024
Unsecured loans	12,181,942	11,078,420
Guaranteed loans	2,779,412	2,708,808
Loans secured by mortgages	11,002,441	10,787,880
Pledged loans	4,221,864	3,797,121
Total	<u>30,185,659</u>	<u>28,372,229</u>

Overdue loans

The composition of the Group's gross overdue loans (excluding accrued interest) by collateral is as follows:

	30 June 2025				
	Overdue for 1 to 90 days	Overdue for 91 days to 1 year	Overdue for 1 to 3 years	Overdue for over 3 years	Total
Unsecured loans	33,351	56,272	35,815	11,762	137,200
Guaranteed loans	14,444	14,785	26,356	9,110	64,695
Loans secured by mortgages	83,393	69,594	70,869	20,956	244,812
Pledged loans	3,786	986	3,756	3,765	12,293
Total	<u>134,974</u>	<u>141,637</u>	<u>136,796</u>	<u>45,593</u>	<u>459,000</u>

	31 December 2024				
	Overdue for 1 to 90 days	Overdue for 91 days to 1 year	Overdue for 1 to 3 years	Overdue for over 3 years	Total
Unsecured loans	35,138	40,223	37,036	13,592	125,989
Guaranteed loans	9,712	17,125	23,011	6,611	56,459
Loans secured by mortgages	76,542	61,971	61,143	17,870	217,526
Pledged loans	968	1,260	3,456	1,081	6,765
Total	<u>122,360</u>	<u>120,579</u>	<u>124,646</u>	<u>39,154</u>	<u>406,739</u>

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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43. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

Collateral and other credit enhancements (continued)

(ii) Risk concentrations (continued)

(2) Debt securities investments

By issuers

The following tables present an analysis of the Group's debt securities investments (excluding accrued interest) by types of issuers and investments:

	30 June 2025			Total
	Financial investments measured at FVTPL	Financial investments measured at FVTOCI	Financial investments measured at amortised cost	
Governments and central banks	381,553	1,804,533	9,175,771	11,361,857
Policy banks	45,390	797,328	472,482	1,315,200
Banks and other financial institutions	167,809	610,473	767,538	1,545,820
Corporate entities	79,160	664,287	68,628	812,075
	<u>673,912</u>	<u>3,876,621</u>	<u>10,484,419</u>	<u>15,034,952</u>
	31 December 2024			Total
	Financial investments measured at FVTPL	Financial investments measured at FVTOCI	Financial investments measured at amortised cost	
Governments and central banks	402,632	1,673,679	8,346,596	10,422,907
Policy banks	35,688	512,411	549,026	1,097,125
Banks and other financial institutions	230,594	398,174	769,838	1,398,606
Corporate entities	70,067	588,449	67,768	726,284
	<u>738,981</u>	<u>3,172,713</u>	<u>9,733,228</u>	<u>13,644,922</u>

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43. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

Collateral and other credit enhancements (continued)

(ii) Risk concentrations (continued)

(2) Debt securities investments (continued)

By rating

The Group adopts a credit rating approach to manage the credit risk of the debt securities portfolio held. The ratings are obtained from Bloomberg Composite, or major rating agencies in the countries where the issuers of debt securities are located. The carrying amounts of debt securities investments (excluding accrued interest) analysed by rating as at the end of the reporting period are as follows:

	30 June 2025					Total
	Unrated	AAA	AA	A	Below A	
Governments and central banks	3,817,730	7,229,893	205,938	65,209	43,087	11,361,857
Policy banks	1,146,868	114,175	15,906	37,879	372	1,315,200
Banks and other financial institutions	793,904	490,567	41,435	146,620	73,294	1,545,820
Corporate entities	318,727	376,830	16,227	71,251	29,040	812,075
	<u>6,077,229</u>	<u>8,211,465</u>	<u>279,506</u>	<u>320,959</u>	<u>145,793</u>	<u>15,034,952</u>
	31 December 2024					Total
	Unrated	AAA	AA	A	Below A	
Governments and central banks	3,330,132	6,825,677	124,512	77,960	64,626	10,422,907
Policy banks	923,671	79,897	37,269	55,829	459	1,097,125
Banks and other financial institutions	611,520	380,105	68,488	219,349	119,144	1,398,606
Corporate entities	181,918	378,178	11,860	119,431	34,897	726,284
	<u>5,047,241</u>	<u>7,663,857</u>	<u>242,129</u>	<u>472,569</u>	<u>219,126</u>	<u>13,644,922</u>

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43. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

Collateral and other credit enhancements (continued)

(iii) Three-stage analysis of financial instruments' risk exposure

The Group's credit risk stages of financial instruments are as follows:

	30 June 2025							
	Gross carrying amount				Provision for ECL			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Financial assets measured at amortised cost:								
Cash and balances with central banks	3,055,772	-	-	3,055,772	-	-	-	-
Due from banks and other financial institutions	1,251,114	-	151	1,251,265	(3,677)	-	(151)	(3,828)
Reverse repurchase agreements	1,754,524	-	-	1,754,524	(221)	-	-	(221)
Loans and advances to customers	26,904,749	723,618	400,064	28,028,431	(404,983)	(154,636)	(311,074)	(870,693)
Financial investments	10,628,572	1,726	3,140	10,633,438	(35,509)	(12)	(2,700)	(38,221)
Total	43,594,731	725,344	403,355	44,723,430	(444,390)	(154,648)	(313,925)	(912,963)
Financial assets measured at FVTOCI:								
Loans and advances to customers	2,205,428	970	41	2,206,439	(327)	(21)	(23)	(371)
Financial investments	3,910,995	5,880	425	3,917,300	(4,768)	(389)	(3,758)	(8,915)
Total	6,116,423	6,850	466	6,123,739	(5,095)	(410)	(3,781)	(9,286)

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

43. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

Collateral and other credit enhancements (continued)

(iii) Three-stage analysis of financial instruments' risk exposure (continued)

The Group's credit risk stages of financial instruments are as follows (continued):

31 December 2024								
	Gross carrying amount				Provision for ECL			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Financial assets measured at amortised cost								
Cash and balances with central banks	3,322,911	-	-	3,322,911	-	-	-	-
Due from banks and other financial institutions	1,224,065	-	158	1,224,223	(4,189)	-	(158)	(4,347)
Reverse repurchase agreements	1,189,933	-	-	1,189,933	(33)	-	-	(33)
Loans and advances to customers	25,300,817	795,620	379,423	26,475,860	(354,083)	(156,502)	(304,487)	(815,072)
Financial investments	9,885,410	1,836	3,142	9,890,388	(35,540)	(11)	(2,852)	(38,403)
Total	40,923,136	797,456	382,723	42,103,315	(393,845)	(156,513)	(307,497)	(857,855)
Financial assets measured at FVTOCI								
Loans and advances to customers	1,947,015	938	35	1,947,988	(353)	(51)	(21)	(425)
Financial investments	3,196,321	9,203	402	3,205,926	(4,565)	(635)	(3,825)	(9,025)
Total	5,143,336	10,141	437	5,153,914	(4,918)	(686)	(3,846)	(9,450)

As at 30 June 2025 and 31 December 2024, credit risk exposures of credit commitments were mainly classified in Stage 1.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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43. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk

Liquidity risk is the risk that funds will not be sufficient or raised at a reasonable cost in a timely manner to meet the need of asset growth or repayment of debts due, although the Group remains solvent. This may arise from amount or maturity mismatches of assets and liabilities.

The Group manages its liquidity risk through the Asset and Liability Management Department and aims at:

- optimising the structure of assets and liabilities;
- maintaining the stability of the deposit base;
- projecting cash flows and evaluating the level of current assets; and
- maintaining an efficient internal fund transfer mechanism to ensure sufficient liquidity at branch level.

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

43. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk (continued)

(i) Maturity analysis of assets and liabilities

The tables below summarise the maturity profile of the Group's assets and liabilities. The actual remaining maturity of the Group's financial instruments may vary significantly from the following analysis. For example, demand deposits from customers are expected to maintain a stable or increasing balance although they have been classified as repayable on demand in the following tables.

	30 June 2025						Undated (iii)	Total
	Overdue/ repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	Over five years		
Assets:								
Cash and balances with central banks	580,219	5,976	3,676	9,940	1,420	436	2,454,105	3,055,772
Due from banks and other financial institutions (i)	377,949	1,696,365	253,549	654,230	38,008	-	-	3,020,101
Derivative financial assets	-	27,603	19,378	64,693	13,472	3,083	-	128,229
Loans and advances to customers	53,220	1,344,197	1,613,268	6,868,394	5,264,617	14,084,442	143,749	29,371,887
Financial investments								
Financial investments measured at FVTPL	110,566	16,432	55,907	318,438	213,063	125,506	116,934	956,846
Financial investments measured at FVTOCI	-	309,075	173,417	726,372	1,831,263	876,748	99,490	4,016,365
Financial investments measured at amortised cost	-	199,434	402,389	1,376,861	3,711,852	4,904,230	451	10,595,217
Investments in associates and joint ventures	-	-	-	-	-	-	77,716	77,716
Property and equipment	-	-	-	-	-	-	301,930	301,930
Others	262,707	233,486	48,500	87,584	14,176	32,369	115,046	793,868
Total assets	1,384,661	3,832,568	2,570,084	10,106,512	11,087,871	20,026,814	3,309,421	52,317,931

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
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(In RMB millions, unless otherwise stated)

43. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk (continued)

(i) Maturity analysis of assets and liabilities (continued)

	30 June 2025							
	Overdue/ repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	Over five years	Undated (iii)	Total
Liabilities:								
Due to central banks	-	6,336	22,024	132,892	-	-	-	161,252
Due to banks and other financial institutions (ii)	2,705,967	1,060,748	1,221,722	1,830,404	74,074	3,807	-	6,896,722
Financial liabilities measured at FVTPL	100,140	415	697	6,137	1,499	218	-	109,106
Derivative financial liabilities	-	33,136	22,104	44,684	13,024	2,270	-	115,218
Certificates of deposit	-	69,167	123,593	192,729	56,658	-	-	442,147
Due to customers	14,384,277	2,402,370	2,464,410	8,426,589	9,182,681	44,229	-	36,904,556
Debt securities issued	-	137,143	363,811	1,068,151	255,470	774,764	-	2,599,339
Others	-	374,452	166,768	108,314	134,885	166,296	-	950,715
Total liabilities	<u>17,190,384</u>	<u>4,083,767</u>	<u>4,385,129</u>	<u>11,809,900</u>	<u>9,718,291</u>	<u>991,584</u>	<u>-</u>	<u>48,179,055</u>
Net liquidity gap	<u>(15,805,723)</u>	<u>(251,199)</u>	<u>(1,815,045)</u>	<u>(1,703,388)</u>	<u>1,369,580</u>	<u>19,035,230</u>	<u>3,309,421</u>	<u>4,138,876</u>

(i) Includes reverse repurchase agreements.

(ii) Includes repurchase agreements.

(iii) Undated loans and advances to customers and financial investments are impaired or not impaired but overdue for more than one month.

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
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43. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk (continued)

(i) Maturity analysis of assets and liabilities (continued)

	31 December 2024							
	Overdue/ repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	Over five years	Undated (iii)	Total
Assets:								
Cash and balances with central banks	663,560	12,057	3,989	6,993	1,419	-	2,634,893	3,322,911
Due from banks and other financial institutions (i)	376,826	1,411,071	274,396	324,274	43,526	-	-	2,430,093
Derivative financial assets	-	40,353	56,970	106,761	12,752	5,525	-	222,361
Loans and advances to customers	55,352	1,401,798	1,524,797	5,809,922	5,157,599	13,541,001	123,312	27,613,781
Financial investments								
Financial investments measured at FVTPL	115,122	10,507	34,325	277,426	249,601	211,580	111,878	1,010,439
Financial investments measured at FVTOCI	-	118,609	263,122	615,595	1,442,912	765,555	85,359	3,291,152
Financial investments measured at amortised cost	-	111,481	220,800	1,467,655	3,388,429	4,663,189	431	9,851,985
Investments in associates and joint ventures	-	-	-	-	-	-	73,357	73,357
Property and equipment	-	-	-	-	-	-	302,387	302,387
Others	183,447	233,352	41,809	72,476	28,340	32,073	111,783	703,280
Total assets	<u>1,394,307</u>	<u>3,339,228</u>	<u>2,420,208</u>	<u>8,681,102</u>	<u>10,324,578</u>	<u>19,218,923</u>	<u>3,443,400</u>	<u>48,821,746</u>

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43. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk (continued)

(i) Maturity analysis of assets and liabilities (continued)

	31 December 2024							
	Overdue/ repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	Over five years	Undated (iii)	Total
Liabilities:								
Due to central banks	-	9,874	46,175	113,573	-	-	-	169,622
Due to banks and other financial institutions (ii)	2,757,012	844,462	638,061	1,571,697	297,196	6,092	-	6,114,520
Financial liabilities measured at FVTPL	66,164	2,459	895	4,615	1,669	254	-	76,056
Derivative financial liabilities	-	48,034	53,927	80,581	11,533	3,720	-	197,795
Certificates of deposit	-	59,484	15,729	327,008	43,198	-	-	445,419
Due to customers	13,778,148	1,781,556	2,736,664	7,896,577	8,631,898	12,130	-	34,836,973
Debt securities issued	-	149,859	138,098	826,703	229,287	684,775	-	2,028,722
Others	-	368,453	167,171	118,288	145,613	165,848	-	965,373
Total liabilities	<u>16,601,324</u>	<u>3,264,181</u>	<u>3,796,720</u>	<u>10,939,042</u>	<u>9,360,394</u>	<u>872,819</u>	<u>-</u>	<u>44,834,480</u>
Net liquidity gap	<u>(15,207,017)</u>	<u>75,047</u>	<u>(1,376,512)</u>	<u>(2,257,940)</u>	<u>964,184</u>	<u>18,346,104</u>	<u>3,443,400</u>	<u>3,987,266</u>

(i) Includes reverse repurchase agreements.

(ii) Includes repurchase agreements.

(iii) Undated loans and advances to customers and financial investments are impaired or not impaired but overdue for more than one month.

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
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43. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk (continued)

(ii) Maturity analysis of undiscounted contractual cash flows

The tables below summarise the maturity profile of the Group's financial instruments based on the undiscounted contractual cash flows. The balances of some items in the tables below are different from the balances in the consolidated statement of financial position as the tables incorporate all cash flows relating to both principal and interest. The Group's actual cash flows on these instruments may vary significantly from the following analysis. For example, demand deposits from customers are expected to maintain a stable or increasing balance although they have been classified as repayable on demand in the following tables.

	30 June 2025							
	Overdue/ repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	Over five years	Undated (iv)	Total
Non-derivative cash flows:								
Financial assets:								
Cash and balances with central banks	580,219	5,998	3,747	10,398	1,420	436	2,454,105	3,056,323
Due from banks and other financial institutions (i)	378,000	1,698,861	256,815	669,427	40,634	-	-	3,043,737
Loans and advances to customers (ii)	54,411	1,373,029	1,648,736	7,091,453	5,773,969	16,510,994	456,006	32,908,598
Financial investments								
Financial investments measured at FVTPL	110,566	16,625	56,500	325,439	231,830	143,790	116,962	1,001,712
Financial investments measured at FVTOCI	-	310,036	177,502	768,961	1,998,866	1,029,015	99,490	4,383,870
Financial investments measured at amortised cost	-	201,107	418,106	1,550,117	4,530,087	5,992,730	451	12,692,598
Others	261,387	272,532	34,568	77,577	12,219	5,006	-	663,289
	<u>1,384,583</u>	<u>3,878,188</u>	<u>2,595,974</u>	<u>10,493,372</u>	<u>12,589,025</u>	<u>23,681,971</u>	<u>3,127,014</u>	<u>57,750,127</u>

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43. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk (continued)

(ii) Maturity analysis of undiscounted contractual cash flows (continued)

	30 June 2025						
	Overdue/ repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	Over five years	Undated (iv) Total
Financial liabilities:							
Due to central banks	-	6,453	22,260	133,946	-	-	- 162,659
Due to banks and other financial institutions (iii)	2,706,106	1,066,941	1,234,539	1,873,797	77,868	4,427	- 6,963,678
Financial liabilities measured at FVTPL	100,140	429	757	6,427	1,674	246	- 109,673
Certificates of deposit	-	69,306	124,745	198,292	60,861	-	- 453,204
Due to customers	14,385,800	2,404,531	2,473,098	8,531,769	9,613,202	50,863	- 37,459,263
Debt securities issued	-	137,488	369,178	1,107,042	370,795	861,318	- 2,845,821
Others	-	366,976	12,109	13,951	16,903	3,698	- 413,637
	<u>17,192,046</u>	<u>4,052,124</u>	<u>4,236,686</u>	<u>11,865,224</u>	<u>10,141,303</u>	<u>920,552</u>	<u>- 48,407,935</u>

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43. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk (continued)

(ii) Maturity analysis of undiscounted contractual cash flows (continued)

	30 June 2025							
	Overdue/ repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	Over five years	Undated (iv)	Total
Derivative cash flows:								
Derivative financial instruments settled on net basis	-	12	275	317	637	(99)	-	1,142
Derivative financial instruments settled on gross basis								
Including: Cash inflow	-	3,549,403	1,844,707	8,664,973	637,257	56,348	-	14,752,688
Cash outflow	-	(3,556,422)	(1,856,772)	(8,718,167)	(639,424)	(56,765)	-	(14,827,550)
	<u>-</u>	<u>(7,019)</u>	<u>(12,065)</u>	<u>(53,194)</u>	<u>(2,167)</u>	<u>(417)</u>	<u>-</u>	<u>(74,862)</u>

(i) Includes reverse repurchase agreements.

(ii) The maturity profile of the rescheduled loans' undiscounted contractual cash flows is determined according to the negotiated terms.

(iii) Includes repurchase agreements.

(iv) Undated loans and advances to customers and financial investments are impaired or not impaired but overdue for more than one month.

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
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43. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk (continued)

(ii) Maturity analysis of undiscounted contractual cash flows (continued)

	31 December 2024							
	Overdue/ repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	Over five years	Undated (iv)	Total
Non-derivative cash flows:								
Financial assets:								
Cash and balances with central banks	663,560	12,147	4,017	7,566	1,421	-	2,634,893	3,323,604
Due from banks and other financial institutions (i)	377,144	1,413,614	279,741	333,163	47,091	-	-	2,450,753
Loans and advances to customers (ii)	56,509	1,431,667	1,558,220	6,007,274	5,721,992	16,183,016	428,944	31,387,622
Financial investments								
Financial investments measured at FVTPL	115,126	13,436	39,687	287,394	281,878	228,586	113,215	1,079,322
Financial investments measured at FVTOCI	-	140,683	271,622	664,584	1,565,377	912,364	89,750	3,644,380
Financial investments measured at amortised cost	-	130,173	264,932	1,680,678	4,154,919	5,665,433	3,132	11,899,267
Others	175,473	217,418	27,027	66,303	31,720	18,869	-	536,810
	<u>1,387,812</u>	<u>3,359,138</u>	<u>2,445,246</u>	<u>9,046,962</u>	<u>11,804,398</u>	<u>23,008,268</u>	<u>3,269,934</u>	<u>54,321,758</u>

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43. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk (continued)

(ii) Maturity analysis of undiscounted contractual cash flows (continued)

	31 December 2024							
	Overdue/ repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	Over five years	Undated (iv)	Total
Financial liabilities:								
Due to central banks	-	10,018	46,418	114,666	-	-	-	171,102
Due to banks and other financial institutions (iii)	2,757,012	849,510	648,907	1,608,813	317,848	6,743	-	6,188,833
Financial liabilities measured at FVTPL	66,164	2,642	1,258	4,915	2,330	287	-	77,596
Certificates of deposit	-	63,560	15,879	365,204	44,952	-	-	489,595
Due to customers	13,859,932	1,795,548	2,744,063	7,903,231	9,037,518	14,583	-	35,354,875
Debt securities issued	-	150,198	138,850	854,712	338,267	772,365	-	2,254,392
Others	-	360,896	13,937	18,698	37,631	17,007	-	448,169
	<u>16,683,108</u>	<u>3,232,372</u>	<u>3,609,312</u>	<u>10,870,239</u>	<u>9,778,546</u>	<u>810,985</u>	<u>-</u>	<u>44,984,562</u>

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43. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk (continued)

(ii) Maturity analysis of undiscounted contractual cash flows (continued)

	31 December 2024							
	Overdue/ repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	Over five years	Undated (iv)	Total
Derivative cash flows:								
Derivative financial instruments settled on net basis	-	(12,072)	(22,700)	(73,896)	3,962	58	-	(104,648)
Derivative financial instruments settled on gross basis								
Including: Cash inflow	-	2,253,093	1,513,483	3,523,819	429,830	50,987	-	7,771,212
Cash outflow	-	(2,244,458)	(1,490,156)	(3,348,141)	(430,755)	(51,330)	-	(7,564,840)
	-	8,635	23,327	175,678	(925)	(343)	-	206,372

(i) Includes reverse repurchase agreements.

(ii) The maturity profile of the rescheduled loans' undiscounted contractual cash flows is determined according to the negotiated terms.

(iii) Includes repurchase agreements.

(iv) Undated loans and advances to customers and financial investments are impaired or not impaired but overdue for more than one month.

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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43. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk (continued)

(iii) Analysis of credit commitments by contractual expiry date

Management does not expect all of the commitments to be drawn down before the expiry of the commitments.

30 June 2025						
	Repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	Over five years
Total						
Credit commitments	<u>1,273,227</u>	<u>171,297</u>	<u>386,309</u>	<u>906,910</u>	<u>626,145</u>	<u>103,004</u>
						<u>3,466,892</u>

31 December 2024						
	Repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	Over five years
Total						
Credit commitments	<u>1,250,483</u>	<u>197,971</u>	<u>441,314</u>	<u>820,351</u>	<u>562,731</u>	<u>130,628</u>
						<u>3,403,478</u>

(c) Market risk

Market risk is the risk of loss, in respect of the Group's on- and off-balance sheet activities, arising from adverse movements in market rates including interest rates, foreign exchange rates, commodity prices and stock prices. Market risk arises from both the Group's trading and non-trading businesses. The market risk disclosed in this note excludes the interest rate risk in the banking book. For analysis of the interest rate risk in the banking book, please refer to Note 43(d).

The market risk in the Group's trading book primarily arises from the exposures to exchange rate contracts, interest rate contracts and commodity derivatives held in the trading book for market-making purposes or on behalf of customers.

The Group's currency risk mainly results from the risk arising from exchange rate fluctuations on its foreign exchange exposures. Foreign exchange exposures include the foreign exchange exposures arising from currency structural imbalance between foreign currency assets and liabilities, and off-balance sheet foreign exchange exposures arising from currency derivative transactions.

The Group considers the market risk arising from stock price fluctuations in respect of its investment portfolios to be immaterial.

Sensitivity analysis and foreign exchange risk concentration analysis are the major market risk management tools used by the Group. The Bank monitors market risk separately in respect of trading and other non-trading portfolios. The Value-at-Risk (VaR) analysis is a major tool used by the Bank to measure and monitor the market risk of its trading portfolios. The following sections include a Value-at-Risk (VaR) analysis by risk type of the Group's trading portfolios and a sensitivity analysis based on the Group's currency risk exposure.

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(In RMB millions, unless otherwise stated)

43. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk (continued)

(i) Trading Book (VaR)

VaR is a measure index which estimates the potential maximum losses that could occur on risk positions taken due to movements in interest rates, foreign exchange rates or prices over a specified time horizon and at a specified level of confidence. The Bank adopts a historical simulation method to calculate and monitor the VaRs of trading portfolios with 250 days' historical market data (with a 99% confidence level, and one-day holding period) on a daily basis.

A summary of VaRs of trading book by risk type is as follows:

	Six months ended 30 June 2025			
	End of period	Average	Maximum	Minimum
Interest rate risk	303	359	475	176
Currency risk	404	329	466	173
Commodity risk	26	24	28	22
Total portfolio VaR	459	457	572	355

	Six months ended 30 June 2024			
	End of period	Average	Maximum	Minimum
Interest rate risk	212	117	243	83
Currency risk	225	286	436	187
Commodity risk	17	17	40	11
Total portfolio VaR	296	301	357	246

VaR for each risk factor is the derived largest potential loss due to fluctuations solely in that risk factor. As there is a diversification effect due to the correlation amongst the risk factors, the individual VaRs do not add up to the total portfolio VaR.

Although VaR is an important tool for measuring market risk under normal market environment, the assumptions on which the model is based do give rise to some limitations, mainly including the following:

- (1) VaR does not reflect liquidity risk. In the VaR model, a one-day holding period assumes that it is possible to hedge or dispose of positions within that period without restriction, the price of the financial instruments will fluctuate in the specified range, and the correlation between these market prices will remain basically unchanged. This may not fully reflect the market risk arising at times of severe illiquidity, when a one-day holding period may be insufficient to hedge or dispose of all positions fully;
- (2) Even though positions may change throughout the day, VaR only represents the risk of the portfolios at the close of each business day, and it does not account for any losses that may occur beyond the 99% confidence level; and
- (3) VaR relies heavily on historical data to provide information and may not clearly predict the future changes and modifications of the risk factors, especially those of an exceptional nature due to significant market moves.

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43. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk (continued)

(ii) Currency risk

The Group conducts its businesses mainly in RMB, with certain transactions denominated in USD, HKD, and other currencies to a lesser extent. The exchange rate of RMB to USD is managed under a floating exchange rate system. The HKD exchange rate has been pegged to the USD and therefore the exchange rate of RMB to HKD has fluctuated in line with the changes in the exchange rate of RMB to USD. Transactions in foreign currencies mainly arise from the Group's foreign currency treasury operations, commissioned foreign exchange dealings for clients and overseas investments.

The Group manages its currency risk exposure through various methods, including limit management and risk hedging to hedge currency risk, and performs currency risk sensitivity analysis and stress testing regularly.

The tables below indicate a sensitivity analysis of exchange rate changes of the main foreign currencies to which the Group had significant on- and off-balance sheet exposure on its monetary assets and liabilities and its estimated future cash flows. The analysis calculates the effect of a reasonably possible movement in the currency rates against RMB, with all other variables held constant, on profit before taxation and equity. The impact on equity only includes the impact on other comprehensive income. A negative amount in the table reflects a potential net reduction in profit before taxation or equity, while a positive amount reflects a potential net increase. While the table below indicates the effect on profit before taxation and equity of a 1% depreciation of USD and HKD against RMB, there will be an opposite effect with the same amount if the currencies appreciate by the same percentage. This effect, however, is based on the assumption that the Group's foreign exchange exposures as at the end of the reporting period are kept unchanged and, therefore, has not incorporated actions that would be taken by the Group to mitigate the adverse impact of this currency risk.

Currency	Change in exchange rate	Effect on profit before taxation		Effect on equity	
		30 June 2025	31 December 2024	30 June 2025	31 December 2024
USD	-1%	(450)	(321)	(540)	(708)
HKD	-1%	23	274	(1,535)	(1,565)

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43. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk (continued)

(ii) Currency risk (continued)

A breakdown of the assets and liabilities analysed by currency is as follows:

	30 June 2025				
	RMB	USD (in RMB equivalent)	HKD (in RMB equivalent)	Other (in RMB equivalent)	Total (in RMB equivalent)
Assets:					
Cash and balances with central banks	2,702,375	201,955	13,130	138,312	3,055,772
Due from banks and other financial institutions (i)	2,016,624	701,395	71,175	230,907	3,020,101
Derivative financial assets	81,906	31,206	5,979	9,138	128,229
Loans and advances to customers	28,033,410	665,897	304,951	367,629	29,371,887
Financial investments					
Financial investments measured at FVTPL	908,125	24,214	11,413	13,094	956,846
Financial investments measured at FVTOCI	3,291,668	534,138	58,917	131,642	4,016,365
Financial investments measured at amortised cost	10,236,317	210,287	18,355	130,258	10,595,217
Investments in associates and joint ventures	47,279	1,439	159	28,839	77,716
Property and equipment	131,074	167,768	655	2,433	301,930
Others	371,370	126,670	22,512	273,316	793,868
Total assets	<u>47,820,148</u>	<u>2,664,969</u>	<u>507,246</u>	<u>1,325,568</u>	<u>52,317,931</u>
Liabilities:					
Due to central banks	161,252	-	-	-	161,252
Due to banks and other financial institutions (ii)	5,931,474	642,731	59,092	263,425	6,896,722
Financial liabilities measured at FVTPL	10,529	2,596	2	95,979	109,106
Derivative financial liabilities	61,011	33,403	11,958	8,846	115,218
Certificates of deposit	84,401	225,384	69,191	63,171	442,147
Due to customers	35,064,925	1,054,518	386,454	398,659	36,904,556
Debt securities issued	2,431,152	143,122	-	25,065	2,599,339
Others	726,610	172,692	9,433	41,980	950,715
Total liabilities	<u>44,471,354</u>	<u>2,274,446</u>	<u>536,130</u>	<u>897,125</u>	<u>48,179,055</u>
Net long/(short) position	<u>3,348,794</u>	<u>390,523</u>	<u>(28,884)</u>	<u>428,443</u>	<u>4,138,876</u>
Credit commitments	<u>2,717,511</u>	<u>487,462</u>	<u>40,440</u>	<u>221,479</u>	<u>3,466,892</u>

(i) Includes reverse repurchase agreements.

(ii) Includes repurchase agreements.

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43. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk (continued)

(ii) Currency risk (continued)

A breakdown of the assets and liabilities analysed by currency is as follows: (continued)

	31 December 2024				
	RMB	USD (in RMB equivalent)	HKD (in RMB equivalent)	Other (in RMB equivalent)	Total (in RMB equivalent)
Assets:					
Cash and balances with central banks	3,009,110	181,040	9,580	123,181	3,322,911
Due from banks and other financial institutions (i)	1,552,443	587,177	65,538	224,935	2,430,093
Derivative financial assets	170,301	23,754	11,813	16,493	222,361
Loans and advances to customers	26,304,262	651,996	315,362	342,161	27,613,781
Financial investments					
Financial investments measured at FVTPL	963,589	17,444	11,105	18,301	1,010,439
Financial investments measured at FVTOCI	2,715,471	411,742	47,398	116,541	3,291,152
Financial investments measured at amortised cost	9,505,735	203,964	24,531	117,755	9,851,985
Investments in associates and joint ventures	44,465	1,511	146	27,235	73,357
Property and equipment	132,927	166,466	677	2,317	302,387
Others	344,105	135,107	24,565	199,503	703,280
Total assets	44,742,408	2,380,201	510,715	1,188,422	48,821,746
Liabilities:					
Due to central banks	169,622	-	-	-	169,622
Due to banks and other financial institutions (ii)	5,278,640	524,278	65,894	245,708	6,114,520
Financial liabilities measured at FVTPL	5,498	2,440	2	68,116	76,056
Derivative financial liabilities	145,146	32,089	10,841	9,719	197,795
Certificates of deposit	140,187	220,006	58,295	26,931	445,419
Due to customers	33,146,429	945,302	380,181	365,061	34,836,973
Debt securities issued	1,859,351	142,352	-	27,019	2,028,722
Others	806,682	126,396	8,693	23,602	965,373
Total liabilities	41,551,555	1,992,863	523,906	766,156	44,834,480
Net long/(short) position	3,190,853	387,338	(13,191)	422,266	3,987,266
Credit commitments	2,686,750	468,537	50,378	197,813	3,403,478

(i) Includes reverse repurchase agreements.

(ii) Includes repurchase agreements.

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
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43. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Interest rate risk in the banking book

Interest rate risk in the banking book is defined as the risk of loss in the overall return and the economic value of the banking book arising from adverse movements in interest rate and term structure. This type of risk may occur in the following situations:

- the repricing period of different financial instruments are different when the interest rate changes;
- despite the similarities in maturity periods, changes in the benchmark interest rate vary among on- and off-balance sheet business in the banking book with different pricing benchmark interest rates;
- the Bank or the counterparty can elect to change the level or the maturity of future cash flows of financial instruments when the Bank holds option derivatives or when there are embedded option terms or implied options in the on- and off-balance sheet businesses in the banking book; and
- due to changes in expected default levels or market liquidity, the market's assessment of the credit quality of financial instruments changes, leading to changes in credit spreads.

The Group manages the interest rate risk in the banking book through the Asset and Liability Management Department, and the following methods have been adopted:

- interest rate prediction: analysing the macro-economic factors that may impact the PBOC benchmark interest rates and market interest rates;
- duration management: optimising the differences in timing between contractual repricing (or maturities) of interest-generating assets and interest-bearing liabilities;
- pricing management: managing the deviation of the pricing of interest-generating assets and interest-bearing liabilities from the benchmark interest rates or market interest rates;
- limit management: optimising the positions of interest-generating assets and interest-bearing liabilities and controlling the impact on profit or loss and equity; and
- hedging: using interest rate derivatives for hedging management in a timely manner.

The Group measures interest rate risk mainly by analysing the sensitivity of projected net interest income under various interest rate movements (scenario analysis). The Group aims to mitigate the impact of prospective interest rate movements which might reduce future net interest income, while balancing the cost of hedging on the current revenue.

The following tables demonstrate the sensitivity to a reasonably possible change in interest rate, with all other variables held constant, on the Group's net interest income and equity.

The effect on net interest income is the impact of the assumed changes in interest rates on the net interest income, arising from the financial assets and financial liabilities held at the end of the reporting period that are subject to repricing within the coming year, including the effect of hedging instruments. The effect on equity is the impact of the assumed changes in interest rates on other comprehensive income, calculated by revaluing fixed rate financial assets measured at FVTOCI held at the end of the reporting period, including the effect of any associated hedging instruments.

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43. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Interest rate risk in the banking book (continued)

Currency	30 June 2025			
	Increased by 100 basis points		Decreased by 100 basis points	
	Effect on net interest income	Effect on equity	Effect on net interest income	Effect on equity
RMB	(37,780)	(123,630)	37,780	128,078
USD	732	(10,035)	(732)	11,008
HKD	270	862	(270)	(879)
Others	468	(2,632)	(468)	2,777
Total	<u>(36,310)</u>	<u>(135,435)</u>	<u>36,310</u>	<u>140,984</u>

Currency	31 December 2024			
	Increased by 100 basis points		Decreased by 100 basis points	
	Effect on net interest income	Effect on equity	Effect on net interest income	Effect on equity
RMB	(26,560)	(102,939)	26,560	121,349
USD	1,109	(8,228)	(1,109)	9,259
HKD	129	(172)	(129)	177
Others	1,101	(3,274)	(1,101)	3,497
Total	<u>(24,221)</u>	<u>(114,613)</u>	<u>24,221</u>	<u>134,282</u>

The interest rate sensitivities set out in the tables above are for illustration only and are based on simplified scenarios. The figures represent the estimated movements in net interest income and equity based on the projected yield curve scenarios and the Group's current interest rate risk profile. This effect, however, does not incorporate actions other than hedging that would be taken by management to mitigate the impact of interest rate risk. The projections above also assume that interest rates of all maturities move by the same degree and, therefore, do not reflect the potential impact on net interest income and equity in the case where some rates change while others remain unchanged.

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43. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Interest rate risk in the banking book (continued)

The tables below summarise the contractual repricing or maturity dates, whichever is earlier, of the Group's assets and liabilities:

	30 June 2025					
	Less than three months	Three months to one year	One to five years	Over five years	Non- interest- bearing	Total
Assets:						
Cash and balances with central banks	2,621,579	9,291	25	-	424,877	3,055,772
Due from banks and other financial institutions (i)	2,330,268	635,466	31,410	-	22,957	3,020,101
Derivative financial assets	-	-	-	-	128,229	128,229
Loans and advances to customers	10,324,861	18,564,325	299,092	128,312	55,297	29,371,887
Financial investments						
Financial investments measured at FVTPL	68,710	310,520	210,329	108,432	258,855	956,846
Financial investments measured at FVTOCI	463,512	710,589	1,831,041	876,675	134,548	4,016,365
Financial investments measured at amortised cost	543,241	1,339,255	3,711,784	4,904,191	96,746	10,595,217
Investments in associates and joint ventures	-	-	-	-	77,716	77,716
Property and equipment	-	-	-	-	301,930	301,930
Others	-	1,063	-	-	792,805	793,868
Total assets	<u>16,352,171</u>	<u>21,570,509</u>	<u>6,083,681</u>	<u>6,017,610</u>	<u>2,293,960</u>	<u>52,317,931</u>
Liabilities:						
Due to central banks	28,360	132,892	-	-	-	161,252
Due to banks and other financial institutions (ii)	4,970,196	1,816,649	54,280	1,568	54,029	6,896,722
Financial liabilities measured at FVTPL	10,263	6,131	1,499	218	90,995	109,106
Derivative financial liabilities	-	-	-	-	115,218	115,218
Certificates of deposit	201,773	190,853	46,722	-	2,799	442,147
Due to customers	18,803,154	8,478,342	8,823,009	43,225	756,826	36,904,556
Debt securities issued	537,121	1,048,417	223,549	774,791	15,461	2,599,339
Others	1,549	5,076	12,117	3,451	928,522	950,715
Total liabilities	<u>24,552,416</u>	<u>11,678,360</u>	<u>9,161,176</u>	<u>823,253</u>	<u>1,963,850</u>	<u>48,179,055</u>
Interest rate exposure	(8,200,245)	9,892,149	(3,077,495)	5,194,357	N/A	N/A

(i) Includes reverse repurchase agreements.

(ii) Includes repurchase agreements.

The data set out in the above table includes trading book data.

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

43. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Interest rate risk in the banking book (continued)

The tables below summarise the contractual repricing or maturity dates, whichever is earlier, of the Group's assets and liabilities: (continued)

	31 December 2024					
	Less than three months	Three months to one year	One to five years	Over five years	Non- interest- bearing	Total
Assets:						
Cash and balances with central banks	2,921,951	6,665	50	-	394,245	3,322,911
Due from banks and other financial institutions (i)	2,041,613	321,984	41,914	-	24,582	2,430,093
Derivative financial assets	-	-	-	-	222,361	222,361
Loans and advances to customers	10,976,981	16,188,046	255,342	138,400	55,012	27,613,781
Financial investments						
Financial investments measured at FVTPL	44,028	275,562	247,340	209,389	234,120	1,010,439
Financial investments measured at FVTOCI	379,404	611,783	1,427,981	758,866	113,118	3,291,152
Financial investments measured at amortised cost	344,569	1,449,893	3,328,729	4,623,451	105,343	9,851,985
Investments in associates and joint ventures	-	-	-	-	73,357	73,357
Property and equipment	-	-	-	-	302,387	302,387
Others	1,986	6,273	17,976	3,556	673,489	703,280
Total assets	<u>16,710,532</u>	<u>18,860,206</u>	<u>5,319,332</u>	<u>5,733,662</u>	<u>2,198,014</u>	<u>48,821,746</u>
Liabilities:						
Due to central banks	56,043	113,573	-	-	6	169,622
Due to banks and other financial institutions (ii)	4,052,089	1,711,979	254,138	675	95,639	6,114,520
Financial liabilities measured at FVTPL	6,523	4,615	1,669	254	62,995	76,056
Derivative financial liabilities	-	-	-	-	197,795	197,795
Certificates of deposit	193,076	217,042	32,266	-	3,035	445,419
Due to customers	18,333,925	7,503,276	8,213,196	11,798	774,778	34,836,973
Debt securities issued	311,014	826,952	193,297	684,797	12,662	2,028,722
Others	3,540	10,328	30,765	7,423	913,317	965,373
Total liabilities	<u>22,956,210</u>	<u>10,387,765</u>	<u>8,725,331</u>	<u>704,947</u>	<u>2,060,227</u>	<u>44,834,480</u>
Interest rate exposure	<u>(6,245,678)</u>	<u>8,472,441</u>	<u>(3,405,999)</u>	<u>5,028,715</u>	<u>N/A</u>	<u>N/A</u>

(i) Includes reverse repurchase agreements.

(ii) Includes repurchase agreements.

The data set out in the above table includes trading book data.

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

43. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Capital management

The Group has set the following capital management objectives:

- maintain sound capital adequacy to meet regulatory and policy requirements on capital, keep stable capital base to ensure the implementation of the Group's business growth and strategic plans in order to achieve comprehensive, balanced, and sustainable development;
- adopt the advanced capital measurement approach, improve the internal capital adequacy assessment process (ICAAP), publicly disclose information on capital management, cover all types of material risks, and ensure stable operations of the Group;
- leverage on the results of quantitative assessments of material risks fully, establish a bank-wide value management mechanism with a core of economic capital, improve the aligned policies, processes, and applications in business management, strengthen the capital constraints and capital incentives mechanism, enhance the abilities of product pricing and decision-making support, and improve the capital allocation efficiency; and
- make effective use of various capital instruments, continuously enhance capital strengths, refine the capital structure, improve capital quality, reduce capital costs, and maximise shareholders' returns.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the risk profiles of its business operations. In order to maintain or adjust the capital structure, the Group may adjust its profit distribution policies, issue or repurchase its own shares, eligible additional tier 1 capital instruments, eligible tier 2 capital instruments, or convertible bonds.

The Group monitors the capital adequacy ratios regularly based on regulations issued by the NFRA. The required information is quarterly filed with the NFRA by the Group and the Bank.

Since 1 January 2024, the Group commenced calculating the capital adequacy ratios in accordance with the Regulation Governing Capital of Commercial Banks and other relevant regulations, according to the scope of implementing the advanced capital measurement approaches as approved by the regulatory authorities, an enterprise that meets the regulatory requirements shall adopt the foundation IRB approach for its corporate credit risk exposures, the advanced IRB approach for its retail credit risk exposures, the weighted approach for its credit risk uncovered by the IRB approach, the standardised approach mainly for its market risk exposures and the standardised approach for its operational risk exposures.

According to Regulation Governing Capital of Commercial Banks, Measures for the Assessment of Systemically Important Banks, Additional Regulation of Systemically Important Banks (Provisional), and the capital surcharge applied to global systemically important banks as required by the Basel Committee on Banking Supervision, the minimum common equity tier 1 capital adequacy ratio, the tier 1 capital adequacy ratio and the capital adequacy ratio of the Group shall not be lower than 9%, 10% and 12% respectively. In addition, overseas entities are directly regulated by local banking regulators, and the required capital adequacy ratios differ by countries or regions.

The Group calculates the following common equity tier 1 capital adequacy ratio, the tier 1 capital adequacy ratio and the capital adequacy ratio in accordance with the Regulation Governing Capital of Commercial Banks and relevant requirements. The requirements pursuant to these regulations may be different from those applicable in Hong Kong SAR and other jurisdictions.

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

43. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Capital management (continued)

The capital adequacy ratios and related data of the Group are calculated based on the statutory financial statements of the Group prepared under the PRC GAAP. During the reporting period, the Group has complied in full with all its externally imposed regulatory capital requirements.

The common equity tier 1 capital adequacy ratio, the tier 1 capital adequacy ratio and the capital adequacy ratio of the Group calculated in accordance with the advanced capital measurement approaches in the Rules on Capital Management of Commercial Banks are as follows:

	30 June 2025	31 December 2024
Common equity tier 1 capital	3,754,533	3,648,963
Paid-in capital	356,407	356,407
Valid portion of capital reserve	147,857	148,128
Surplus reserve	464,331	463,951
General reserve	614,718	614,426
Retained profits	2,111,907	2,007,203
Valid portion of minority interests	4,123	4,071
Accumulated other comprehensive income	55,190	54,777
Common equity tier 1 capital deductions	26,001	24,621
Goodwill	18,942	18,687
Other intangible assets other than land use rights	9,441	10,194
Cash flow hedging reserve that relates to the hedging of items that are not fair-valued on the balance sheet	(2,382)	(4,260)
Net common equity tier 1 capital	3,728,532	3,624,342
Additional tier 1 capital	365,127	325,111
Additional tier 1 capital instruments and related premiums	364,344	324,344
Valid portion of minority interests	783	767
Net tier 1 capital	4,093,659	3,949,453
Tier 2 capital	1,151,560	1,037,078
Valid portion of tier 2 capital instruments and related premiums	732,865	632,917
Surplus provision for impairment	417,484	402,917
Valid portion of minority interests	1,211	1,244
Net capital base	5,245,219	4,986,531
Risk-weighted assets (i)	26,848,401	25,710,855
Common equity tier 1 capital adequacy ratio	13.89%	14.10%
Tier 1 capital adequacy ratio	15.25%	15.36%
Capital adequacy ratio	19.54%	19.39%

(i) Refers to risk-weighted assets after the capital floor and adjustments.

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

44. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group has established policies and internal controls with respect to the measurement of fair values, specifically the framework of fair value measurement of financial instruments, fair value measurement methodologies and operating procedures. Fair value measurement methodologies specify valuation techniques, parameter selection and relevant concepts, models and parameter-seeking methods. Operating procedures specify measurement procedures, timing of valuation, market parameter selection and corresponding allocation of responsibilities. In the process of fair value measurement, front office is responsible for daily transaction management. The Finance and Accounting Department plays a lead role in formulating accounting policies of fair value measurement, valuation methodologies and system implementation. The Risk Management Department is responsible for verifying trade details and validating models.

Fair value estimates are generally subjective in nature, and are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

- Level 1 inputs: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2 inputs: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs: valuation techniques are used, for which certain inputs that have a significant effect on the recorded fair value are not based on observable market data.

The following is a description of the fair value of financial instruments measured at fair value which are determined using valuation techniques. They incorporate the Group's estimate of assumptions that a market participant would make when valuing the instruments.

Financial investments

Financial investments that use valuation techniques for their valuation include debt securities, asset-backed securities, investment funds, unlisted equity instruments and asset management plans. The Group values such investments by incorporating either only observable data or both observable and unobservable data. Observable inputs include assumptions regarding current interest rates; unobservable inputs include assumptions regarding expected default rates, prepayment rates, discount rates and market liquidity.

The majority of the debt securities investments classified as level 2 are RMB bonds. The fair values of these bonds are determined based on the valuation results provided by China Central Depository & Clearing Co., Ltd., which are determined based on a valuation technique for which all significant inputs are observable market data.

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

44. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Derivatives

Derivatives that use valuation techniques with market observable inputs are mainly interest rate swaps, currency forwards, swaps and options. The most frequently applied valuation techniques include discounted cash flow model and Black-Scholes model. The models incorporate various inputs including foreign exchange spot and forward rates, foreign exchange rate volatility, interest rate yield curves.

Structured derivatives are mainly valued using dealer's quotations.

Loans and advances to customers

The loans and advances to customers that use valuation techniques for valuation are mainly the bills and discounted cash flow model is used. For bank acceptance bill, based on the different credit risk of the acceptor, interest rate yield curve is set up using the actual market data; for commercial bill, based on the interbank offered rate, interest rate yield curve is constructed, with spreads adjusted for credit risk and liquidity.

Other liabilities at fair value through profit or loss

For unquoted other liabilities at FVTPL, discounted cash flow model is used based on current yield curve appropriate for the remaining term to maturity adjusted for market liquidity and credit spreads; and Heston model is applied based on parameters including yields, foreign exchange forward rates, foreign exchange rate volatilities, which are calibrated by active market quotes of standard European option with the same underlying items.

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

44. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial instruments measured at fair value

	30 June 2025			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Derivative financial assets	7,447	120,744	38	128,229
Reverse repurchase agreements measured at FVTPL	-	18,361	-	18,361
Loans and advances to customers measured at FVTPL	-	7,679	31	7,710
Loans and advances to customers measured at FVTOCI	-	2,206,439	-	2,206,439
Financial investments measured at FVTPL				
Debt securities investments	21,515	650,215	2,182	673,912
Equity investments	28,771	951	86,561	116,283
Funds and other investments	44,265	75,883	46,503	166,651
	<u>94,551</u>	<u>727,049</u>	<u>135,246</u>	<u>956,846</u>
Financial investments measured at FVTOCI				
Debt securities investments	413,538	3,498,242	-	3,911,780
Other debt investments	-	5,520	-	5,520
Equity investments	29,836	8,251	60,978	99,065
	<u>443,374</u>	<u>3,512,013</u>	<u>60,978</u>	<u>4,016,365</u>
	<u>545,372</u>	<u>6,592,285</u>	<u>196,293</u>	<u>7,333,950</u>
Financial liabilities:				
Due to customers	-	320,769	-	320,769
Repurchase agreements	-	27	-	27
Financial liabilities measured at FVTPL	296	106,843	1,967	109,106
Derivative financial liabilities	7,703	107,400	115	115,218
	<u>7,999</u>	<u>535,039</u>	<u>2,082</u>	<u>545,120</u>

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

44. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial instruments measured at fair value (continued)

	31 December 2024			Total
	Level 1	Level 2	Level 3	
Financial assets:				
Derivative financial assets	12,111	210,195	55	222,361
Reverse repurchase agreements measured at FVTPL	-	20,317	-	20,317
Loans and advances to customers measured at FVTPL	-	4,929	76	5,005
Loans and advances to customers measured at FVTOCI	-	1,947,988	-	1,947,988
Financial investments measured at FVTPL				
Debt securities investments	17,498	718,558	2,925	738,981
Equity investments	23,736	1,003	87,028	111,767
Funds and other investments	37,666	78,015	44,010	159,691
	<u>78,900</u>	<u>797,576</u>	<u>133,963</u>	<u>1,010,439</u>
Financial investments measured at FVTOCI				
Debt securities investments	301,020	2,899,480	-	3,200,500
Other debt investments	-	5,426	-	5,426
Equity investments	13,793	5,730	65,703	85,226
	<u>314,813</u>	<u>2,910,636</u>	<u>65,703</u>	<u>3,291,152</u>
	<u>405,824</u>	<u>5,891,641</u>	<u>199,797</u>	<u>6,497,262</u>
Financial liabilities:				
Due to customers	-	200,983	-	200,983
Repurchase agreements	-	715	-	715
Financial liabilities measured at FVTPL	150	73,584	2,322	76,056
Derivative financial liabilities	8,005	189,651	139	197,795
	<u>8,155</u>	<u>464,933</u>	<u>2,461</u>	<u>475,549</u>

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

44. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Movement of level 3 financial instruments measured at fair value

The following tables show the movement of level 3 financial assets and financial liabilities measured at fair value:

	1 January 2025	Total (losses)/gains recorded in profit or loss	Total effects in other comprehensive income	Additions	Disposals and settlements	Transfer in/(out) of level 3	30 June 2025
Financial assets:							
Derivative financial assets	55	(8)	-	24	(35)	2	38
Loans and advances to customers measured at FVTPL	76	2	-	-	(47)	-	31
Financial investments measured at FVTPL							
Debt securities investments	2,925	(149)	-	74	(629)	(39)	2,182
Equity investments	87,028	(1,098)	-	6,842	(4,639)	(1,572)	86,561
Funds and other investments	44,010	1,401	-	2,093	(1,001)	-	46,503
Financial investments measured at FVTOCI							
Equity investments	65,703	-	(294)	1,400	(5,831)	-	60,978
	<u>199,797</u>	<u>148</u>	<u>(294)</u>	<u>10,433</u>	<u>(12,182)</u>	<u>(1,609)</u>	<u>196,293</u>
Financial liabilities:							
Financial liabilities measured at FVTPL	(2,322)	(99)	-	(208)	404	258	(1,967)
Derivative financial liabilities	(139)	12	-	(2)	14	-	(115)
	<u>(2,461)</u>	<u>(87)</u>	<u>-</u>	<u>(210)</u>	<u>418</u>	<u>258</u>	<u>(2,082)</u>

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

44. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Movement of level 3 financial instruments measured at fair value (continued)

The following tables show the movement of level 3 financial assets and financial liabilities measured at fair value: (continued)

	1 January 2024	Total gains/(losses) recorded in profit or loss	Total effects in other comprehensive income	Additions	Disposals and settlements	Transfer (out)/in of level 3	31 December 2024
Financial assets:							
Derivative financial assets	515	110	-	521	(352)	(739)	55
Loans and advances to customers measured at FVTPL	114	5	-	-	(43)	-	76
Financial investments measured at FVTPL							
Debt securities investments	3,368	7	-	639	(1,091)	2	2,925
Equity investments	74,226	(15)	-	23,192	(10,375)	-	87,028
Funds and other investments	41,357	(940)	-	18,914	(15,321)	-	44,010
Financial investments measured at FVTOCI							
Equity investments	40,472	-	1,490	3,521	(3,400)	23,620	65,703
	<u>160,052</u>	<u>(833)</u>	<u>1,490</u>	<u>46,787</u>	<u>(30,582)</u>	<u>22,883</u>	<u>199,797</u>
Financial liabilities:							
Financial liabilities measured at FVTPL	(1,838)	(221)	-	(761)	498	-	(2,322)
Derivative financial liabilities	<u>(1,179)</u>	<u>(174)</u>	<u>-</u>	<u>-</u>	<u>496</u>	<u>718</u>	<u>(139)</u>
	<u>(3,017)</u>	<u>(395)</u>	<u>-</u>	<u>(761)</u>	<u>994</u>	<u>718</u>	<u>(2,461)</u>

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

44. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Movement of level 3 financial instruments measured at fair value (continued)

Net gains or losses on level 3 financial instruments of the Group are set out below:

	Six months ended 30 June	
	2025	2024
Realised	651	(208)
Unrealised	(590)	1,152
	<u>61</u>	<u>944</u>

(c) Transfers between levels

(i) Transfers between level 1 and level 2

Due to changes in market conditions for certain securities, quoted prices in active markets were available for these securities. Therefore, these securities were transferred from level 2 to level 1 of the fair value hierarchy as at the end of the reporting period.

Due to changes in market conditions for certain securities, quoted prices in active markets were no longer available for these securities. However, there was sufficient information available to measure the fair values of these securities based on observable market inputs. Therefore, these securities were transferred from level 1 to level 2 of the fair value hierarchy as at the end of the reporting period.

For the six months ended 30 June 2025 and 30 June 2024, the transfers between level 1 and level 2 of the fair value hierarchy for financial assets and liabilities measured at fair value of the Group were not significant.

(ii) Transfers between level 2 and level 3

At the end of the reporting period, certain financial instruments were transferred out from level 2 to level 3 of the fair value hierarchy for financial assets and liabilities when significant inputs used in their fair value measurements, which were previously observable became unobservable.

At the end of the reporting period, certain financial instruments were transferred out from level 3 of the fair value hierarchy for financial assets and liabilities, when significant inputs used in their fair value measurements, which were previously unobservable became observable, or when there was a change in valuation technique.

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

44. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(d) Valuation of financial instruments with significant unobservable inputs

Financial instruments valued with significant unobservable inputs primarily include certain structured financial derivatives, asset-backed securities, investment funds, unlisted equity instruments and asset management plans. These financial instruments are valued using discounted cash flow model, net asset value method and market comparison approach. The models incorporate various unobservable assumptions such as expected default rates, prepayment rates, discount rates and market liquidity.

As at 30 June 2025, the effects of changing the significant unobservable assumptions to reasonably possible alternative assumptions were not significant (31 December 2024: not significant).

(e) Fair value of financial assets and financial liabilities not carried at fair value

There are no significant differences between the carrying amount and the fair value of financial assets and financial liabilities not measured at fair value, except for the following items:

30 June 2025					
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets:					
Financial investments measured at amortised cost	<u>10,595,217</u>	<u>11,220,498</u>	<u>96,928</u>	<u>11,031,705</u>	<u>91,865</u>
Financial liabilities:					
Subordinated bonds, tier 2 capital bonds and TLAC non-capital Bonds	<u>851,491</u>	<u>866,257</u>	<u>-</u>	<u>866,257</u>	<u>-</u>
31 December 2024					
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets:					
Financial investments measured at amortised cost	<u>9,851,985</u>	<u>10,531,041</u>	<u>43,473</u>	<u>10,360,858</u>	<u>126,710</u>
Financial liabilities:					
Subordinated bonds, tier 2 capital bonds and TLAC non-capital Bonds	<u>749,261</u>	<u>778,648</u>	<u>-</u>	<u>778,648</u>	<u>-</u>

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

44. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(e) Fair value of financial assets and financial liabilities not carried at fair value (continued)

Subject to the existence of an active market, such as an authorised stock exchange, the market value is the best reflection of the fair value of a financial instrument. As there is no available market value for certain financial assets held and financial liabilities issued by the Group, discounted cash flow or other valuation methods described below are adopted to determine the fair values of these financial assets and financial liabilities:

- (i) The fair values of financial investments measured at amortised cost relating to the restructuring of the Bank are estimated on the basis of the stated interest rates and the consideration of the relevant special clauses of the instruments evaluated in the absence of any other relevant observable market data, and the fair values approximate to their carrying amounts. The fair values of financial investments measured at amortised cost irrelevant to the restructuring of the Bank are determined based on the available market values. If quoted market prices are not available, fair values are estimated on the basis of pricing models or discounted cash flows.
- (ii) The fair values of Subordinated bonds, tier 2 capital bonds and TLAC non-capital Bonds issued are determined with reference to the available market values. If quoted market prices are not available, fair values are estimated on the basis of pricing models or discounted cash flows.

All of the aforementioned assumptions and methods provide a consistent basis for the calculation of the fair values of the Group's financial assets and financial liabilities. However, other institutions may use different assumptions and methods. Therefore, the fair values disclosed by different financial institutions may not be entirely comparable.

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

45. EVENTS AFTER THE REPORTING PERIOD

On 29 August 2025, the Board of Directors of the Bank proposed the distribution of interim cash dividends for ordinary shares of RMB0.1414 (pre-tax) per share of 356,406,257,089 ordinary shares for 2025, totaling about RMB50,396 million. The distribution plan will be submitted to the Shareholders' General Meeting for approval.

On 10 July 2025, the Bank completed the issuance of the 2025 tier 2 capital bonds (Series 3) (the "Bonds") and the issuance size of the Bonds is RMB50,000 million. The proceeds from the issuance of the Bonds are used to replenish the tier 2 capital of the Bank.

With the approvals of the NFRA, the Bank plan to redeem all of the USD \$2.9 billion offshore preference shares issued on 23 September 2020 on 23 September 2025.

The Bank reviewed and approved the distribution of dividends on “工行優2” and offshore USD preference shares at the meeting of the Board of Directors on 29 August 2025, planning to distribute the dividends on “工行優2” on 24 September 2025 at the dividend rate of 3.02% (pre-tax, and the tax payable on dividends received by holders of domestic preference shares should be borne by them in compliance with relevant laws and regulations) and the total dividends distributed will be RMB2,114 million; and planning to distribute the dividends on offshore USD preference shares on 23 September 2025 at the dividend rate of 3.58% (after-tax, namely the actual dividend rate obtained by offshore USD preference shareholders) and the dividends distributed on offshore USD preference shares will be approximately USD115.36 million including USD103.82 million to be paid to preference shareholders and approximately USD11.54 million of withholding income tax.

In January 2024, the Bank signed the Promoters' Agreement of China Integrated Circuit Industry Investment Fund Phase III Co., Ltd. The Bank intends to invest RMB21.5 billion in China Integrated Circuit Industry Investment Fund Phase III Co., Ltd., holding 6.25% of equity interest, and the investment is expected to be fully paid within 10 years from the date of registration and establishment of the fund company. The investment has been approved by the NFRA. China Integrated Circuit Industry Investment Fund Phase III Co., Ltd. was officially established on 24 May 2024. The Bank paid an initial subscription of RMB1,075 million in July 2024. The Bank paid the subscription of RMB1,182.5 million in July 2025. The Bank had paid the subscription of RMB2,257.5 million in total.

46. COMPARATIVE FIGURES

Certain comparative amounts have been reclassified to conform to the current period's presentation.

47. APPROVAL OF THE FINANCIAL STATEMENTS

The interim financial statements were approved by the Board of Directors on 29 August 2025.

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
UNAUDITED SUPPLEMENTARY INFORMATION TO THE FINANCIAL
STATEMENTS
(In RMB millions, unless otherwise stated)

1. Statement of differences between the financial statements prepared under IFRSs and those prepared in accordance with PRC GAAP

There are no differences between the profit attributable to equity holders of the parent company under IFRSs and PRC GAAP for the six months ended 30 June 2025 and 30 June 2024. There are no differences between the equity attributable to equity holders of the parent company under IFRSs and PRC GAAP as at 30 June 2025 and 31 December 2024.

2. Currency concentrations

	30 June 2025			
	USD	HKD	Others	Total
Spot assets	2,495,762	506,432	1,294,296	4,296,490
Spot liabilities	(2,259,945)	(536,130)	(896,021)	(3,692,096)
Forward purchases	6,004,993	326,081	619,698	6,950,772
Forward sales	(5,944,592)	(329,005)	(596,013)	(6,869,610)
Net option position	(22,531)	(576)	(5,692)	(28,799)
Net long/(short) position	<u>273,687</u>	<u>(33,198)</u>	<u>416,268</u>	<u>656,757</u>
Net structural position	<u>154,706</u>	<u>814</u>	<u>30,168</u>	<u>185,688</u>
	31 December 2024			
	USD	HKD	Others	Total
Spot assets	2,250,157	489,754	1,228,279	3,968,190
Spot liabilities	(2,078,820)	(541,721)	(826,252)	(3,446,793)
Forward purchases	5,273,333	252,671	477,184	6,003,188
Forward sales	(5,659,359)	(121,026)	(701,683)	(6,482,068)
Net option position	(26,408)	8,778	(13,855)	(31,485)
Net (short)/long position	<u>(241,097)</u>	<u>88,456</u>	<u>163,673</u>	<u>11,032</u>
Net structural position	<u>153,369</u>	<u>754</u>	<u>28,414</u>	<u>182,537</u>

The net option position is calculated using the delta equivalent approach required by the Hong Kong Monetary Authority. The net structural position of the Group includes the structural positions of the Bank's overseas branches, banking subsidiaries and other subsidiaries substantially involved in foreign exchange transactions. Structural assets and liabilities include:

- property and equipment, net of depreciation charges;
- capital and statutory reserves of overseas branches; and
- investments in overseas subsidiaries, associates and joint ventures.

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(In RMB millions, unless otherwise stated)

3. Loans and advances to customers (excluding accrued interest)

(i) Overdue loans and advances to customers

	30 June 2025	31 December 2024
Gross loans and advances to customers of the Group which have been overdue with respect to either principal or interest for periods of:		
Between 3 and 6 months	62,941	50,420
Between 6 and 12 months	78,696	70,159
Over 12 months	182,389	163,800
	<u>324,026</u>	<u>284,379</u>
As a percentage of the total gross loans and advances to customers:		
Between 3 and 6 months	0.21%	0.18%
Between 6 and 12 months	0.26%	0.25%
Over 12 months	0.60%	0.57%
	<u>1.07%</u>	<u>1.00%</u>

The definition of overdue loans and advances to customers is as follows:

Loans and advances to customers with a specific repayment date are classified as overdue when the principal or interest is overdue.

For loans and advances to customers repayable by regular instalments, if part of the instalments is overdue, the whole amount of the loans and advances would be classified as overdue.

(ii) Overdue loans and advances to customers by geographical distribution

	30 June 2025	31 December 2024
Head Office	52,904	52,829
Bohai Rim	59,091	55,728
Western China	71,291	58,118
Central China	61,627	59,785
Pearl River Delta	92,938	73,465
Yangtze River Delta	59,726	49,448
Northeastern China	17,979	17,743
Overseas and others	43,444	39,623
	<u>459,000</u>	<u>406,739</u>

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3. Loans and advances to customers (excluding accrued interest) (continued)

(iii) Rescheduled loans and advances to customers

	30 June 2025		31 December 2024	
		% of total loans and advances to customers		% of total loans and advances to customers
Rescheduled loans and advances to customers	140,962	0.47%	139,086	0.49%
Less: Rescheduled loans and advances to customers overdue for more than three months	(6,107)	(0.02%)	(23,378)	(0.08%)
Rescheduled loans and advances to customers overdue for less than three months	<u>134,855</u>	<u>0.45%</u>	<u>115,708</u>	<u>0.41%</u>

4. Exposures to non-bank entities in Chinese mainland

The Bank is a commercial bank incorporated in Chinese mainland with its banking business primarily conducted in Chinese mainland. As at 30 June 2025 and 31 December 2024, substantial amounts of the Bank's exposures arose from businesses with entities or individuals in Chinese mainland. Analyses of various types of exposures by counterparty have been disclosed in the respective notes to the financial statements.