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交通銀行股份有限公司
Bank of Communications Co., Ltd.

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 03328)

**RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025**

The Board of Directors (the “**Board of Directors**”) of Bank of Communications Co., Ltd. (the “**Bank**”) is pleased to announce the audited consolidated financial information (the “**Annual Results**”) of the Bank and its subsidiaries (the “**Group**”) for the year ended 31 December 2025 (the “**Reporting Period**”), which was prepared in accordance with the *International Financial Reporting Standards* (the “**IFRSs**”) issued by the International Accounting Standards Board. The Board of Directors and the Audit Committee of the Board of Directors have reviewed and confirmed the Annual Results.

I. CORPORATE INFORMATION

	Stock name	Stock code	Stock exchange
A Share	Bank of Communications	601328	Shanghai Stock Exchange
H Share	BANKCOMM	03328	The Stock Exchange of Hong Kong Limited
Domestic Preference Share	BOCOM PREF1	360021	Shanghai Stock Exchange

Secretary of the Board of Directors and Company Secretary

Name	He Zhaobin
Contact address	No. 188, Yin Cheng Zhong Lu, (Shanghai) Pilot Free Trade Zone, PRC
Tel	86-21-23538555
Fax	86-21-58798398
E-mail	investor@bankcomm.com

II. KEY FINANCIAL DATA AND FINANCIAL INDICATORS

As at the end of the Reporting Period, key financial data and financial indicators prepared by the Group under IFRSs are as follows:

Items	2025	2024	2023	2022	2021
				<i>(in millions of RMB)</i>	
Full year results					
Net interest income	173,075	169,832	164,123	169,882	161,693
Net fee and commission income	38,183	36,914	43,004	44,855	47,573
Net operating income	265,600	260,269	258,014	257,346	269,748
Credit impairment losses	54,547	52,567	56,908	60,411	66,371
Business cost	77,655	77,687	77,369	76,151	74,545
Profit before tax	103,763	103,475	99,698	98,115	93,959
Net profit (attributable to shareholders of the Bank)	95,622	93,586	92,728	92,102	87,581
As at the end of the year				<i>(in millions of RMB)</i>	
Total assets	15,548,388	14,900,717	14,060,472	12,991,571	11,665,757
Loans and advances to customers ¹	9,123,571	8,555,122	7,957,085	7,294,965	6,560,400
Total liabilities	14,268,106	13,745,120	12,961,022	11,958,049	10,688,521
Deposits from customers ¹	9,307,815	8,800,335	8,551,215	7,949,072	7,039,777
Shareholders' equity (attributable to shareholders of the Bank)	1,269,232	1,144,306	1,088,030	1,022,024	964,647
Per share				<i>(in millions of RMB)</i>	
Earnings per share (attributable to the ordinary shareholders of the Bank) ²	1.08	1.16	1.15	1.14	1.10
Net assets per share (attributable to the ordinary shareholders of the Bank) ³	12.93	13.06	12.30	11.41	10.64

Items	2025	2024	2023	2022	2021
				<i>(in millions of RMB)</i>	
Key financial ratios					
Return on average assets	0.63	0.65	0.69	0.75	0.80
Return on weighted-average shareholders' equity ²	8.38	9.08	9.68	10.34	10.76
Net interest margin ⁴	1.20	1.27	1.28	1.48	1.56
Cost-to-income ratio ⁵	29.30	29.90	30.04	29.65	27.67
Non-performing loan ratio ⁶	1.28	1.31	1.33	1.35	1.48
Provision coverage ratio	208.38	201.94	195.21	180.68	166.50
Capital adequacy indicators			<i>(in millions of RMB unless otherwise stated)</i>		
Net capital ⁷	1,589,837	1,508,812	1,351,116	1,250,317	1,139,957
Including: Net core tier-1 capital ⁷	1,138,469	964,568	905,394	840,164	783,877
Net other tier-1 capital ⁷	126,591	176,078	176,289	176,480	176,348
Net tier-2 capital ⁷	324,777	368,166	269,433	233,673	179,732
Risk-weighted assets ⁷	9,958,343	9,416,873	8,850,786	8,350,074	7,379,912
Capital adequacy ratio (%) ⁷	15.96	16.02	15.27	14.97	15.45
Tier-1 capital adequacy ratio (%) ⁷	12.70	12.11	12.22	12.18	13.01
Core tier-1 capital adequacy ratio (%) ⁷	11.43	10.24	10.23	10.06	10.62

Notes:

- Loans and advances to customers do not include interest receivable of related loans and advances. Deposits from customers include interest payable of related deposits.
- Calculated pursuant to the requirements of Regulations on the Preparation of Information Disclosure for Companies Offering Securities to the Public No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings per Share (2010 Revision) issued by the China Securities Regulatory Commission (“CSRC”).
- Refer to shareholder's equity attributable to the ordinary shareholders of the Bank after the deduction of other equity instruments against the total issued ordinary shares as at the end of the period.
- Represented the ratio of net interest income to total average interest-bearing assets.
- Calculated pursuant to China Accounting Standards, as business and management fees divided by operating income, which is consistent with the financial report prepared under China Accounting Standards.
- Calculated pursuant to regulatory standards.
- Calculated pursuant to the Administrative Measures for the Capital of Commercial Banks and its relevant regulations by the National Financial Regulatory Administration (“NFRA”), the calculation scope includes all domestic and overseas branches of the Group and subsidiaries of financial institutions (excluding insurance companies).

III. CHANGES IN SHARES AND SHAREHOLDERS

(I) Changes in Ordinary Shares

As at the end of the Reporting Period, the Bank issued a total of 88,363,784,223 ordinary shares, including 53,351,921,593 A shares and 35,011,862,630 H shares, which accounted for 60.38% and 39.62%, respectively. As at the end of the Reporting Period, the Bank had 300,350 ordinary shareholders, including 272,268 for A shares and 28,082 for H shares. On 28 February 2026, the total number of ordinary shareholders of the Bank was 338,531, including 310,669 for A shares and 27,862 for H shares. 31,833,482,023 ordinary shares issued by the Bank are subject to sales restrictions.

1. Shareholdings of Top 10 Ordinary Shareholders as at the end of the Reporting Period¹

Name of shareholders (Full name)	Increase or decrease during the Reporting Period (share)	Number of shares held as at the end of the Reporting Period (share)	Percentage (%)	Class of shares	Shares pledged or frozen	Number of shares held subject to sales restrictions (shares)	Nature of shareholders
The Ministry of Finance of the People's Republic of China ²	13,210,347,826	26,388,772,272	29.86	A Share	Nil	26,388,772,272	Government
The Hongkong and Shanghai Banking Corporation Limited ^{3,5}	-	4,553,999,999	5.15	H Share	Nil	4,553,999,999	-
The National Council for Social Security Fund ^{4,5}	-	14,135,636,613	16.00	H Share	Nil	-	Foreign legal entity
Hong Kong Securities Clearing Company Nominees Limited ^{5,6}	-	3,105,155,568	3.51	A Share	Nil	-	Government
China Securities Finance Corporation Limited	8,697,208	8,433,333,332	9.54	H Share	Nil	-	-
Capital Airports Holdings Company Limited	-	7,727,420,602	8.75	H Share	Unknown	-	Foreign legal entity
Hong Kong Securities Clearing Company Limited	-	1,891,651,202	2.14	A Share	Nil	-	State-owned legal entity
Shanghai Haiyan Investment Management Co., Ltd. ⁶	-	1,246,591,087	1.41	A Share	Nil	-	State-owned legal entity
Yunnan Hehe (Group) Co., Ltd. ⁶	(559,038,028)	889,185,343	1.01	A Share	Nil	-	Foreign legal entity
China Life Insurance Company Limited – Traditional – Ordinary insurance products – 005L – CT001 Hu	-	808,145,417	0.91	A Share	Nil	-	State-owned legal entity
	-	745,305,404	0.84	A Share	Nil	-	State-owned legal entity
	558,838,893	670,008,647	0.76	A Share	Nil	-	Others

Notes:

1. The relevant data and information are based on the Bank's register of members at the Share Registrar and Transfer Office and the information provided by shareholders to the Bank.
2. The Bank completed the issuance of 14,101,057,578 ordinary A shares to three specific targets, including the Ministry of Finance of the People's Republic of China ("**Ministry of Finance**"), in June 2025. The lock-up period for all the shares under this issuance is 5 years from the date of acquisition of equity. Ministry of Finance has committed that the lock-up period for the 13,178,424,446 A shares and 4,553,999,999 H shares it originally held in the Bank shall be 18 months from the date of equity acquisition upon the issuance of A shares by the Bank.
3. According to the Bank's register of members, the Hongkong and Shanghai Banking Corporation Limited ("**HSBC**") held 13,886,417,698 H shares of the Bank. HSBC beneficially held 249,218,915 more H shares than shown on the Bank's register of members. The discrepancy was due to a purchase of H shares by HSBC from the secondary market in 2007 and thereafter receiving bonus shares issued by the Bank and participating in the rights issue of the Bank. Those extra shares have been registered under Hong Kong Securities Clearing Company Nominees Limited ("**HKSCC Nominees Limited**").
4. Including the 1,970,269,383 A shares of the Bank held by the Sixth Transfer Account for State-owned Capital of The National Council for Social Security Fund ("**SSF**"). Other than the above shareholdings, the SSF held additional 610,064,000 H shares, which were indirectly held by certain asset managers (including Hong Kong Stock Connect). As at the end of the Reporting Period, the SSF held a total of 12,148,552,900 A shares and H shares of the Bank, representing 13.75% of the Bank's total ordinary shares issued.
5. HKSCC Nominees Limited held the H shares of the Bank as a nominee. The aggregate number of shares held by HKSCC Nominees Limited represents the total number of H shares of the Bank held by all institutional and individual investors who maintained an account with it as at the end of the Reporting Period. The data did not include 249,218,915 and 7,027,777,777 H shares indirectly held by HSBC and SSF, respectively, which were registered under HKSCC Nominees Limited. The data did not include 13,886,417,698 and 1,405,555,555 H shares of the Bank directly held by the aforementioned two shareholders, respectively as well, which were registered in the Bank's register of members.
6. Shanghai Haiyan Investment Management Co., Ltd. and Yunnan Hehe (Group) Co., Ltd. are parties acting in concert as defined under the Provisional Measures on Shareholdings Administration of Commercial Banks (China Banking Regulatory Commission Order No. 1 of 2018). 7 subordinate enterprises of China National Tobacco Corporation including Shanghai Haiyan Investment Management Co., Ltd. and Yunnan Hehe (Group) Co., Ltd. authorized and entrusted China National Tobacco Corporation to present at the Shareholders' Meeting of the Bank and to exercise the voting rights on their behalf. HKSCC Nominees Limited is a wholly-owned subsidiary of Hong Kong Securities Clearing Company Limited. Furthermore, the Bank is not aware of the existence of any related relationship among the other top 10 shareholders, or whether they are parties acting in concert as defined in the Provisional Measures on Shareholdings Administration of Commercial Banks.
7. Except that the situation of HKSCC Nominees Limited is unknown, the Bank's top 10 shareholders and the Bank's top 10 holders of shares that are not subject to sales restrictions did not participate in margin trading and refinancing business.

2. *Shareholdings of Top 10 Shareholders Not Subject to Sales Restrictions*

Name of shareholders (Full name)	Number of shares held not subject to sales restrictions (share)	Class of shares
The Hongkong and Shanghai Banking Corporation Limited	14,135,636,613	H share
The National Council for Social Security Fund	3,105,155,568	A share
	8,433,333,332	H share
Hong Kong Securities Clearing Company Nominees Limited	7,727,420,602	H share
China Securities Finance Corporation Limited	1,891,651,202	A share
Capital Airports Holdings Company Limited	1,246,591,087	A share
Hong Kong Securities Clearing Company Limited	889,185,343	A share
Shanghai Haiyan Investment Management Co., Ltd.	808,145,417	A share
Yunnan Hehe (Group) Co., Ltd.	745,305,404	A share
China Life Insurance Company Limited – Traditional – Ordinary insurance products – 005L – CT001 Hu	670,008,647	A share
FAW Equity Investment (Tianjin) Co., Ltd.	663,941,711	A share

3. *Shareholdings of the Shareholders Subject to Sales Restrictions and the Terms of Sales Restrictions*

No.	Shareholders subject to sales restrictions	Number of shares held subject to sales restrictions (share)	Date of trading	Number of new shares for trading (share)	Restrictions on sales
1	The Ministry of Finance of the People's Republic of China	17,732,424,445	17 December 2026	-	All shares originally held in the Bank shall be subject to a lock-up period of 18 months from the date of equity acquisition upon the issuance of A shares
		13,210,347,826	17 June 2030	-	The A shares subscribed for in this issuance shall be subject to a lock-up period of 5 years from the date of equity acquisition upon the issuance of A shares
2	China National Tobacco Corporation	538,183,313	17 June 2030	-	The A shares subscribed for in this issuance shall be subject to a lock-up period of 5 years from the date of equity acquisition upon the issuance of A shares

No.	Shareholders subject to sales restrictions	Number of shares held subject to sales restrictions (share)	Date of trading	Number of new shares for trading (share)	Restrictions on sales
3	China Doublewin Investment Co., Ltd.	352,526,439	17 June 2030	-	The A shares subscribed for in this issuance shall be subject to a lock-up period of 5 years from the date of equity acquisition upon the issuance of A shares

Note: Information in the table above was prepared based on the share registration recorded in Shanghai Branch of China Securities Depository and Clearing Corporation Limited as of 31 December 2025.

4. Substantial Shareholders and Holders of Interest or Short Positions Required to be Disclosed under Division 2 and 3 of Part XV of the Securities and Futures Ordinance (the “SFO”)

As at the end of the Reporting Period, to the knowledge of the directors and chief executives of the Bank, the substantial shareholders and other persons (excluding the directors and chief executives of the Bank) who had interests or short positions in the shares or underlying shares of the Bank as recorded in the register required to be kept pursuant to Section 336 of the SFO are as follows:

Name of substantial shareholders	Capacity	Number of A shares	Nature of interest ¹	Percentage of total issued A shares (%)	Percentage of total issued shares (%)
The Ministry of Finance of the People’s Republic of China	Beneficial owner	26,388,772,272	Long position	49.46	29.86
The National Council for Social Security Fund	Beneficial owner	3,105,155,568	Long position	5.82	3.51

Name of substantial shareholders	Capacity	Number of H shares	Nature of interest ¹	Percentage of total issued H shares (%)	Percentage of total issued shares (%)
The Ministry of Finance of the People’s Republic of China	Beneficial owner	4,553,999,999 ²	Long position	13.01	5.15
HSBC Holdings plc	Interests of controlled corporation	14,135,636,613 ³	Long position	40.37	16.00
The National Council for Social Security Fund	Beneficial owner	9,043,397,332 ⁴	Long position	25.83	10.23

Notes:

1. Long positions held other than through equity derivatives.
2. To the knowledge of the Bank, as at the end of the Reporting Period, Ministry of Finance held 4,553,999,999 H shares and 26,388,772,272 A shares of the Bank, respectively representing 5.15% and 29.86% of the total ordinary shares issued by the Bank.
3. HSBC Holdings plc wholly owns HSBC Asia Holdings Limited, which wholly owns HSBC. HSBC beneficially held 14,135,636,613 H shares of the Bank. Pursuant to the SFO, HSBC Holdings plc was deemed to own the interests associated with 14,135,636,613 H shares held by HSBC.
4. To the knowledge of the Bank, as at the end of the Reporting Period, the SSF held a total of 9,043,397,332 H shares and 3,105,155,568 A shares (please refer to the details in Shareholdings of Top 10 Ordinary Shareholders and relevant notes) of the Bank, respectively representing 10.23% and 3.51% of the Bank's total ordinary shares issued.

Save as disclosed above, as at the end of the Reporting Period, no other person (excluding the directors and chief executives of the Bank) or corporation was recorded in the register required to be kept under Section 336 of the SFO as holding any interests or short positions in the shares or underlying shares of the Bank that would fall to be disclosed to the Bank and The Stock Exchange of Hong Kong Limited ("**Hong Kong Stock Exchange**") pursuant to Divisions 2 and 3 of Part XV of the SFO.

(II) Information of Preference Shares

As at the end of the Reporting Period, the Bank had 68 preference shareholders. On 28 February 2026, the Bank had 68 preference shareholders.

1. Top 10 Preference Shareholders and Their Shareholdings as at the End of the Reporting Period

Name of shareholders (full name)	Increase or decrease during the Reporting Period (share)	Number of shares held as at the end of the Reporting Period (share)	Percentage (%)	Class of shares	Shares pledged or frozen	Nature of shareholders
China Mobile Communications Group Co., Ltd.	0	100,000,000	22.22	Domestic preference share	Nil	State-owned legal entity
CITIC Trust Co., Ltd. – CITIC Trust Youyue No. 3 Collective Capital Trust Plan	20,000,000	20,000,000	4.44	Domestic preference share	Nil	Others
CSCF – China Merchants Bank – CSCF Baofu No. 3 Collective Asset Management Plan	19,350,000	19,350,000	4.30	Domestic preference share	Nil	Others
Ping An Life Insurance Company of China, Ltd. – Proprietary fund	0	18,000,000	4.00	Domestic preference share	Nil	Others
HwaBao Trust Co., Ltd. – HwaBao Trust – Baofu Investment No. 1 Collective Capital Trust Plan	(23,050,000)	16,100,000	3.58	Domestic preference share	Nil	Others
China National Tobacco Corporation – Henan Branch	0	15,000,000	3.33	Domestic preference share	Nil	State-owned legal entity
China Life Property & Casualty Insurance Company Limited – Traditional – Common insurance product	0	15,000,000	3.33	Domestic preference share	Nil	Others
Ping An Property & Casualty Insurance Company of China, Ltd. – Traditional – Common insurance product	0	13,800,000	3.07	Domestic preference share	Nil	Others
CSCF – Bank of China – CSCF – Youxiang No. 33 Collective Asset Management Plan of Bank of China	3,900,000	11,200,000	2.49	Domestic preference share	Nil	Others
CCB Principal Capital Management – CCB – Zhuoyue No. 6 Collective Asset Management Plan of CCB Principal Capital Management	10,735,000	10,735,000	2.39	Domestic preference share	Nil	Others

Notes:

1. Shareholdings of preference shareholders are summarized according to the Bank's register members of preference shareholders.
2. "Percentage" refers to the percentage of number of preference shares held by preference shareholders in the total number of preference shares.
3. According to the Administrative Measures on the Connected Transactions of Banking and Insurance Institutions issued by the former China Banking and Insurance Regulation Commission ("the former CBIRC"), to the knowledge of the Bank, China National Tobacco Corporation Henan Branch is related with Shanghai Haiyan Investment Management Co., Ltd. and Yunnan Hehe (Group) Co., Ltd., which are among top 10 ordinary shareholders of the Bank.
4. The Bank is not aware of the existence of any related relationship among the top 10 preference shareholders or any relationship between the above shareholders and top 10 ordinary shareholders, or whether they are parties acting in concert.

2. *Dividends Distribution of Preference Shares*

The Bank pays dividends on preference shares in cash, on an annual basis. In the event that the Bank resolves to cancel part or all of the preference shares dividends, any shortfall in dividends not distributed to preference shareholders for the period will not accumulate for future interest periods. After receiving dividends at the agreed-upon dividend rate, preference shareholders no longer participate in the distribution of remaining profits with ordinary shareholders.

In accordance with the resolution and authorization of the Shareholders' General Meeting, the 24th meeting of the 10th Session of Board of Directors of the Bank was held on 29 August 2025, at which the proposal for the dividend distribution of the BOCOM PREF1 was considered and approved. The dividend on BOCOM PREF1 was calculated at the nominal dividend yield of 4.07% and amounted to 1,831,500,000 in cash, which was distributed on 8 September 2025. Please refer to the announcement published by the Bank on 30 August 2025 for details of dividend distribution of preference shares.

3. *Other information of Preference Shares*

In accordance with the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, Accounting Standards for Business Enterprises No. 37 – Presentation of Financial Instruments, International Financial Reporting Standards No. 9 – Financial Instruments, International Accounting Standards No. 32 – Financial Instruments: Presentation and other provisions of the Ministry of Finance, as well as the main provisions of the Bank's preferred shares, the Bank's preferred shares are accounted for as equity instruments.

During the Reporting Period, the Bank did not recover the voting rights of preferred shares.

(III) Issuance, Listing, Trading and Redemption/Payment of Securities

During the Reporting Period, the Bank did not issue any corporate bond that was required to be disclosed in accordance with the Standards on the Content and Format of Information Disclosure of Publicly Listed Company No. 2 – Content and Format of the Annual Report and the Administrative Measures for Information Disclosure of Enterprise Credit Bonds. Neither the Bank nor any of its subsidiaries purchased, sold or redeemed any listed securities (including treasury shares) of the Bank. As at the end of the Reporting Period, the Bank did not hold any treasury shares.

The Bank did not issue preference shares during the past three years. During the Reporting Period, there was no redemption or conversion of preference shares.

The Bank has no employee stock.

IV. MANAGEMENT DISCUSSION AND ANALYSIS

(I) Financial Statement Analysis

In 2025, the Group resolutely implemented the decisions and deployments of the CPC Central Committee and the State Council, adhered to the general principle of seeking progress while maintaining stability, thoroughly acted in accordance with the political and people-oriented nature of financial work, effectively played its role as a main force in serving the real economy and a ballast stone for maintaining financial stability. Business operations demonstrated a sound momentum of progress amidst stability and quality improvement amidst stability, achieving a successful conclusion to the “14th Five-Year Plan” period.

As at the end of the Reporting Period, the total assets of the Group increased by 4.35% over the end of the previous year to 15.55 trillion, of which, the Group’s balance of loans and advances to customers increased by 568.449 billion or 6.64% over the end of the previous year to 9.12 trillion; balance of deposits from customers increased by 507.480 billion or 5.77% over the end of the previous year to 9.31 trillion.

During the Reporting Period, the Group’s net profit (attributable to shareholders of the parent company) amounted to 95.622 billion, representing a year-on-year increase of 2.18%. The Group’s net operating income amounted to 265.60 billion, representing a year-on-year increase of 2.05%.

As at the end of the Reporting Period, non-performing loan ratio of the Group was 1.28%, decreased by 0.03 percentage point over the end of the previous year. Provision coverage ratio was 208.38%, representing an increase of 6.44 percentage points over the end of the previous year.

1. Analysis on Key Income Statement Items

(1) Structure and change of income statement

During the Reporting Period, the Group's net profit (attributable to shareholders of the parent company) amounted to 95.622 billion, representing a year-on-year increase of 2.036 billion or 2.18%.

The selected items from the income statement of the Group during the periods indicated are shown below:

(in millions of RMB unless otherwise stated)

	2025	2024	Increase/ (decrease) (%)
Net interest income	173,075	169,832	1.91
Net non-interest income	92,525	90,437	2.31
Including: Net fee and commission income	38,183	36,914	3.44
Net operating income	265,600	260,269	2.05
Credit impairment losses	(54,547)	(52,567)	3.77
Impairment losses on other assets	(1,895)	(1,640)	15.55
Other operating expenses	(105,395)	(102,587)	2.74
Including: Business cost	(77,655)	(77,687)	(0.04)
Profit before tax	103,763	103,475	0.28
Income tax	(7,249)	(9,246)	(21.60)
Net profit	96,514	94,229	2.42
Net profit attributable to shareholders of the parent company	95,622	93,586	2.18

The breakdown of the net operating income of the Group during the periods indicated is shown below:

(in millions of RMB unless otherwise stated)

	2025	
	Amount	Proportion (%)
		Increase/ (decrease) (%)
Net interest income	173,075	65.16
Net fee and commission income	38,183	14.38
Net gains/(losses) arising from trading activities	19,693	7.41
Net gains/(losses) arising from financial investments	4,563	1.72
Net gains/(losses) on investments in associates and joint ventures	495	0.19
Other operating income	29,591	11.14
Total net operating income	265,600	100.00
		1.91
		3.44
		(10.16)
		134.12
		(3.70)
		1.54

(2) *Net interest income*

During the Reporting Period, the Group's net interest income increased by 3.243 billion on a year-on-year basis or 1.91% to 173.075 billion, accounting for 65.16% of the net operating income, which was a major component of the Group's income.

The average balances, associated interest income and expenses and average rate of return or average rate of cost of the Group's interest-bearing assets and interest-bearing liabilities during the periods indicated are shown below:

(in millions of RMB unless otherwise stated)

	2025			2024		
	Average balance	Interest income (expense)	Average rate of return/ (cost) (%)	Average balance	Interest income (expense)	Average rate of return/ (cost) (%)
Assets						
Cash and balances with central banks	720,695	11,021	1.53	739,813	11,530	1.56
Due from and placements with banks and other financial institutions	1,001,174	25,663	2.56	973,324	30,024	3.08
Loans and advances to customers	8,907,748	269,862	3.03	8,264,873	298,120	3.61
Investment securities	3,741,206	112,901	3.02	3,427,644	112,038	3.27
Interest-bearing assets	14,370,823	419,447	2.92	13,405,654	451,712	3.37
Non-interest-bearing assets	1,026,329			985,272		
Total assets	15,397,152			14,390,926		
Liabilities and shareholders' equity						
Deposits from customers	8,895,868	154,720	1.74	8,387,328	178,111	2.12
Due to and placements from banks and other financial institutions	2,351,242	42,272	1.80	2,355,170	56,063	2.38
Debt securities and others	2,120,331	49,380	2.33	1,747,045	47,706	2.73
Interest-bearing liabilities	13,367,441	246,372	1.84	12,489,543	281,880	2.26
Shareholders' equity and non-interest-bearing liabilities	2,029,711			1,901,383		
Total liabilities and shareholders' equity	15,397,152			14,390,926		
Net interest income		173,075			169,832	
Net interest spread¹			1.08			1.11
Net interest margin²			1.20			1.27

Notes:

1. Represented the difference between the average rate of return on total average interest-bearing assets and the average rate of cost of total average interest-bearing liabilities.
2. Represented the ratio of net interest income to total average interest-bearing assets.

During the Reporting Period, the Group's net interest margin decreased by 7 basis points year-on-year to 1.20%. This was mainly because the rate of return on assets dropped significantly. In particular, due to the Loan Prime Rate (LPR) cuts, the intense industry competition amid strong supply and weak demand and other factors, the yield on loans and advances to customer decreased by 58 basis points on a year-on-year basis; and the yield on securities investment decreased by 25 basis points driven by the overall decline in benchmark market interest rates. To cope with the downward pressure on asset returns, the Group continuously strengthened the analysis and judgment on market interest rate trends, reasonably adjusted the business structure, dynamically optimized the pricing strategy, bringing the cost of liabilities down year-on-year.

The net interest spread and net interest margin for each quarter during the periods indicated are shown below:

(%)	2025			
	January – March	April – June	July – September	October – December
Net interest spread	1.11	1.06	1.05	1.08
Net interest margin	1.23	1.19	1.19	1.21

The table below illustrates the impact of changes in scales and interest rates on the Group's interest income and interest expenses. The changes in scales and interest rates are based on the changes in average balance and the changes on interest rates of interest-bearing assets and interest-bearing liabilities during the periods indicated.

(in millions of RMB)

	Comparison between 2025 and 2024		
	Increase/(decrease) due to		
	Amount	Interest rate	Net increase/ (decrease)
Interest-bearing assets			
Cash and balances with central banks	(298)	(211)	(509)
Due from and placements with banks and other financial institutions	858	(5,219)	(4,361)
Loans and advances to customers	23,208	(51,466)	(28,258)
Investment securities	10,253	(9,390)	863
Changes in interest income	34,021	(66,279)	(32,258)
Interest-bearing liabilities			
Deposits from customers	10,781	(34,172)	(23,391)
Due to and placements from banks and other financial institutions	(93)	(13,698)	(13,791)
Debt securities and others	10,191	(8,517)	1,674
Changes in interest expenses	20,879	(56,387)	(35,508)
Changes in net interest income	13,142	(9,899)	3,243

During the Reporting Period, the Group's net interest income increased by 3.243 billion on a year-on-year basis. Within this total, changes in the average balances of assets and liabilities increased net interest income by 13.142 billion, while changes in the average rate of return and average rate of cost reduced the net interest income by 9.899 billion.

① Interest income

During the Reporting Period, the Group's interest income decreased by 32.265 billion or 7.14% on a year-on-year basis to 419.447 billion, of which interest income from loans and advances to customers, investment securities and cash and balances with central banks accounted for 64.34%, 26.92% and 2.63% of total interest income, respectively.

Interest income from loans and advances to customers. Interest income from loans and advances to customers was the largest component of the Group's interest income. During the Reporting Period, interest income from loans and advances to customers decreased by 28.258 billion or 9.48% on a year-on-year basis to 269.862 billion, mainly due to a year-on-year decrease of 58 basis points in the average rate of return on loans and advances to customers.

Analysis of the average income of loans and advances to customers by business type and term structure

(in millions of RMB unless otherwise stated)

	2025			2024		
	Average balance	Interest income	Average rate of return (%)	Average balance	Interest income	Average rate of return (%)
Corporate loans	5,863,920	180,623	3.08	5,425,964	192,678	3.55
– Short-term loans	1,747,411	49,170	2.81	1,558,124	49,461	3.17
– Medium and long-term loans	4,116,509	131,453	3.19	3,867,840	143,217	3.70
Personal loans	2,782,936	86,786	3.12	2,549,988	101,707	3.99
– Short-term loans	623,120	25,530	4.10	606,241	26,692	4.40
– Medium and long-term loans	2,159,816	61,256	2.84	1,943,747	75,015	3.86
Discounted bills	260,892	2,453	0.94	288,921	3,735	1.29
Total loans and advances to customers	8,907,748	269,862	3.03	8,264,873	298,120	3.61

Interest income from investment securities. During the Reporting Period, interest income from investment securities increased by 863 million or 0.77% on a year-on-year basis to 112.901 billion, mainly due to the year-on-year increase by 313.562 billion or 9.15% in the average balance of investment securities.

Interest income from cash and balances with central banks. The cash and balances with central banks mainly included balances in statutory reserves and excess reserves. During the Reporting Period, interest income from cash and balances with central banks decreased by 509 million or 4.41% on a year-on-year basis to 11.021 billion, which was mainly due to the year-on-year decrease of 19.118 billion or 2.58% in the average balance of cash and balances with central banks, and the year-on-year decrease of 3 basis points in the average rate of return on cash and balances with central banks.

Interest income from balances due from and placements with banks and other financial institutions. During the Reporting Period, the interest income from balances due from and placements with banks and other financial institutions decreased by 4.361 billion or 14.53% on a year-on-year basis to 25.663 billion, which was mainly due to the year-on-year decrease of 52 basis points in the average rate of return on balances due from and placements with banks and other financial institutions.

② Interest expenses

During the Reporting Period, the Group's interest expenses decreased by 35.508 billion or 12.60% on a year-on-year basis to 246.372 billion.

Interest expenses on deposits from customers. Deposits from customers is the Group's primary funding source. During the Reporting Period, interest expenses on deposits from customers decreased by 23.391 billion or 13.13% on a year-on-year basis to 154.720 billion, accounting for 62.80% of total interest expenses. The decrease in interest expenses on deposits from customers was mainly due to the year-on-year decrease of 38 basis points in the average rate of cost of deposits from customers.

Analysis of the average cost of deposits from customers by product type

(in millions of RMB unless otherwise stated)

	2025			2024		
	Average balance	Interest expenses	Average rate of cost (%)	Average balance	Interest expenses	Average rate of cost (%)
Corporate deposits	5,004,626	84,024	1.68	4,863,879	101,250	2.08
– Demand deposits	1,800,538	10,930	0.61	1,852,363	17,534	0.95
– Time deposits	3,204,088	73,094	2.28	3,011,516	83,716	2.78
Personal deposits	3,891,242	70,696	1.82	3,523,449	76,861	2.18
– Demand deposits	927,672	743	0.08	861,231	1,623	0.19
– Time deposits	2,963,570	69,953	2.36	2,662,218	75,238	2.83
Total deposits from customers	8,895,868	154,720	1.74	8,387,328	178,111	2.12

Interest expenses on balances due to and placements from banks and other financial institutions. During the Reporting Period, interest expenses on balances due to and placements from banks and other financial institutions decreased by 13.791 billion or 24.60% on a year-on-year basis to 42.272 billion, which was mainly due to a year-on-year decrease of 58 basis points in the average rate of cost of balances due to and placements from banks and other financial institutions.

Interest expense on debt securities issued and other interest-bearing liabilities. During the Reporting Period, interest expense on debt securities issued and other interest-bearing liabilities increased by 1.674 billion or 3.51% on a year-on-year basis to 49.380 billion, which was mainly due to a year-on-year increase of 373.286 billion or 21.37% in the average balance of debt securities issued and others.

(3) *Net fee and commission income*

The net fee and commission income is an important part of the Group's net operating income. During the Reporting Period, the Group's net fee and commission income increased by 1.269 billion or 3.44% on a year-on-year basis to 38.183 billion, among which the income from wealth management, such as agency services and wealth management, increased significantly, which was mainly due to the Group's continued efforts to strengthen its distinctive wealth management capabilities and continuously enhance customer service capacity, resulting in increased income from wealth management products and agency funds.

The breakdown of the Group's net fee and commission income for the periods indicated is shown below:

(in millions of RMB unless otherwise stated)

	2025	2024	Increase/ (decrease) (%)
Bank cards	15,298	14,826	3.18
Wealth management business	9,082	7,764	16.98
Custody and other fiduciary businesses	7,799	7,667	1.72
Agency services	3,858	3,502	10.17
Investment banking	2,064	2,316	(10.88)
Guarantee and commitment	3,112	3,202	(2.81)
Settlement services	1,349	1,504	(10.31)
Others	151	137	10.22
Total fee and commission income	42,713	40,918	4.39
Less: fee and commission expense	(4,530)	(4,004)	13.14
Net fee and commission income	38,183	36,914	3.44

(4) *Other non-interest income*

The breakdown of the Group's other non-interest income for the periods indicated is shown below:

(in millions of RMB unless otherwise stated)

	2025	2024	Increase/ (decrease) (%)
Net gains/(losses) arising from trading activities	19,693	21,919	(10.16)
Net gains/(losses) arising from financial investments	4,563	1,949	134.12
Net gains/(losses) on investments in associates and joint ventures	495	514	(3.70)
Other operating income	29,591	29,141	1.54
Total other non-interest income	54,342	53,523	1.53

During the Reporting Period, the Group's other non-interest income increased by 819 million on a year-on-year basis to 54.342 billion, of which net gains arising from trading activities decreased by 2.226 billion or 10.16% on a year-on-year basis to 19.693 billion, mainly attributable to the year-on-year decrease in the gains and losses on bonds and interest-rate derivatives as affected by the fluctuation of the market interest rates; net gains arising from financial investments increased by 2,614 million or 134.12% on a year-on-year basis to 4.563 billion.

(5) *Business cost*

During the Reporting Period, the Group's business cost decreased by 32 million or 0.04% on a year-on-year basis to 77.655 billion. The Group's cost-to-income ratio decreased by 0.60 percentage point on a year-on-year basis to 29.30%.

The breakdown of the Group's business cost for the periods indicated is shown below:

(in millions of RMB unless otherwise stated)

	2025	2024	Increase/ (decrease) (%)
Staff costs	44,047	42,320	4.08
Business expenses	24,019	25,455	(5.64)
Depreciation and amortization	9,589	9,912	(3.26)
Total business cost	77,655	77,687	(0.04)

(6) Asset impairment losses

During the Reporting Period, the Group's asset impairment losses decreased by 2.235 billion or 4.12% on a year-on-year basis to 56.442 billion, of which the credit impairment losses on loans increased by 3.693 billion or 7.38% on a year-on-year basis to 53.719 billion. The Group continued to comply with the Implementation Measures for the Management of Expected Credit Losses in Commercial Banks, fully assessed the potential risks of customers, and dynamically updated the impairment model's parameters to fully reflect the impact of forward-looking information on expected credit losses. At the same time, in recent years, the Group continuously consolidated the quality of its assets and made reasonable provisions, with a view to maintaining sufficient risk mitigation and loss absorption capabilities.

(7) Income tax

During the Reporting Period, the Group's income tax expenses decreased by 1.997 billion or 21.60% on a year-on-year basis to 7,249 million. The effective tax rate was 6.99%, which was mainly affected by the tax exemption on interest income from PRC treasury bonds and municipal government bonds held by the Group pursuant to the relevant tax provisions.

2. Analysis on Key Balance Sheet Items

(1) Assets

As at the end of the Reporting Period, the Group's total assets increased by 647.671 billion or 4.35% from the end of the previous year to 15,548.388 billion, which was mainly due to the increase in the scale of loans and advances to customers and financial investments.

The balances (after provision) of the key components of the Group's total assets and their proportions to the total assets as at the dates indicated are shown below:

(in millions of RMB unless otherwise stated)

	31 December 2025		31 December 2024		31 December 2023	
	Balance	Proportion (%)	Balance	Proportion (%)	Balance	Proportion (%)
Loans and advances to customers	8,898,768	57.23	8,351,131	56.05	7,772,060	55.28
Financial investments	4,527,914	29.12	4,320,089	28.99	4,104,142	29.19
Cash and balances with central banks	701,847	4.51	717,354	4.81	898,022	6.39
Due from and placements with banks and other financial institutions	881,284	5.67	974,042	6.54	859,642	6.11
Others	538,575	3.47	538,101	3.61	426,606	3.03
Total assets	15,548,388	100.00	14,900,717	100.00	14,060,472	100.00

① Loans and advances to customers

During the Reporting Period, the Group firmly implemented the decisions and deployments on the financial work made by the CPC Central Committee, further gave play to the role as the main force in serving the real economy and the ballast for maintaining financial stability, continuously improved the quality and efficiency of serving the real economy, and achieved effective improvement in quality and reasonable growth in volume of credit extension. As at the end of the Reporting Period, the balance of the Group's loans and advances to customers increased by 568.449 billion or 6.64% from the end of the previous year to 9,123.571 billion.

The balance and breakdown of the Group's loans and advances to customers at the dates indicated are shown below:

(in millions of RMB unless otherwise stated)

	31 December 2025		31 December 2024		31 December 2023	
	Balance	Proportion (%)	Balance	Proportion (%)	Balance	Proportion (%)
Corporate loans	6,043,810	66.25	5,566,578	65.07	5,179,533	65.09
– Short-term loans	1,867,438	20.47	1,611,541	18.84	1,496,422	18.81
– Medium and long-term loans	4,176,372	45.78	3,955,037	46.23	3,683,111	46.28
Personal loans	2,835,038	31.07	2,752,406	32.17	2,473,100	31.08
– Mortgage	1,442,452	15.81	1,466,604	17.14	1,462,634	18.39
– Credit cards	531,348	5.82	538,404	6.29	489,725	6.15
– Personal business loans	462,270	5.07	413,626	4.83	343,585	4.32
– Personal consumption loans	395,731	4.34	330,260	3.86	173,423	2.18
– Others	3,237	0.03	3,512	0.05	3,733	0.04
Discounted bills	244,723	2.68	236,138	2.76	304,452	3.83
Total	9,123,571	100.00	8,555,122	100.00	7,957,085	100.00

The balance of corporate loans increased by 477.232 billion or 8.57% from the end of the previous year to 6,043.810 billion, among which, short-term loans increased by 255.897 billion, and medium and long-term loans increased by 221.335 billion.

The balance of personal loans increased by 82.632 billion or 3.00% from the end of the previous year to 2,835.038 billion, among which, mortgage loans decreased by 24.152 billion or 1.65% from the end of the previous year, credit card loans decreased by 7.056 billion or 1.31% from the end of the previous year, personal business loans increased by 48.644 billion or 11.76% from the end of the previous year, and personal consumption loans increased by 65.471 billion or 19.82% from the end of the previous year.

The balance of discounted bills increased by 8.585 billion or 3.64% from the end of the previous year to 244.723 billion.

Distribution of loans and advances to customers by security types

(in millions of RMB unless otherwise stated)

	31 December 2025		31 December 2024	
	Balance	Proportion (%)	Balance	Proportion (%)
Unsecured loans	3,689,622	40.44	3,308,339	38.67
Guaranteed loans	1,568,615	17.19	1,419,438	16.59
Loans secured by collateral	2,752,348	30.17	2,733,002	31.95
Pledged loans	1,112,986	12.20	1,094,343	12.79
Total	9,123,571	100.00	8,555,122	100.00

Expected credit loss allowance for loans and advances to customers

(in millions of RMB)

	31 December 2025	31 December 2024
Balance at the end of the previous year	225,525	206,309
Accrual/(reversal) in the period	53,719	50,026
Write-offs and disposals in the period	(41,733)	(36,284)
Recovered after written-off	6,973	6,198
Other movements	(713)	(724)
Balance at the end of the period	243,771	225,525

② Financial investments

As at the end of the Reporting Period, the Group's net balance of financial investments increased by 207.825 billion or 4.81% from the end of the previous year to 4,527.914 billion.

The breakdown of investments by nature

(in millions of RMB unless otherwise stated)

	31 December 2025		31 December 2024	
	Balance	Proportion (%)	Balance	Proportion (%)
Bonds	4,096,090	90.46	3,857,045	89.28
Equity instruments and others	431,824	9.54	463,044	10.72
Total	4,527,914	100.00	4,320,089	100.00

The breakdown of investments by the presentation basis of financial statements

(in millions of RMB unless otherwise stated)

	31 December 2025		31 December 2024	
	Balance	Proportion (%)	Balance	Proportion (%)
Financial investments at fair value through profit and loss	600,609	13.26	656,152	15.19
Financial investments at amortized cost	2,701,622	59.67	2,581,793	59.76
Financial investments at fair value through other comprehensive income	1,225,683	27.07	1,082,144	25.05
Total	4,527,914	100.00	4,320,089	100.00

As at the end of the Reporting Period, the balance of Group's bonds investments increased by 239.045 billion or 6.20% from the end of the previous year to 4,096.090 billion. In the future, the Group will reinforce the research and judgment of the economic and financial situation, focus on the incremental allocation and stock optimization of securities investment. First, the Group will maintain the overall strategy of focusing on interest rate debt investment, and make investment arrangements for PRC treasury bonds and municipal government bonds. Second, the Group will further strengthen the development of investment research capabilities, optimize the variety and maturity structure of credit bond portfolios, and, with the "five priorities" as the entry point, direct bond investments toward major national strategies and key sectors. Third, the Group will strengthen bond trading business and continue to provide liquidity for the bond market.

Bond investment structure by issuer

(in millions of RMB unless otherwise stated)

	31 December 2025		31 December 2024	
	Balance	Proportion (%)	Balance	Proportion (%)
Government and central banks	3,212,285	78.42	3,118,942	80.86
Public sector entities	20,325	0.50	29,974	0.78
Banks and other financial institutions	646,426	15.78	504,458	13.08
Corporate entities	217,054	5.30	203,671	5.28
Total	4,096,090	100.00	3,857,045	100.00

As at the end of the Reporting Period, financial bonds held by the Group amounted to 646.426 billion, including bonds issued by policy banks of 137.225 billion and by banks and non-bank financial institutions of 509.201 billion, which accounted for 21.23% and 78.77%, respectively.

Top 10 financial bonds held by the Group

(in millions of RMB unless otherwise stated)

Bond name	Face value	Annual interest rate (%)	Maturity date	Impairment allowance ^{Note}
Policy Bank Bond issued in 2025	7,900	1.39	03/09/2026	–
Policy Bank Bond issued in 2022	6,599	2.65	24/02/2027	–
Policy Bank Bond issued in 2017	6,330	SOFR+1.06	08/09/2027	–
Policy Bank Bond issued in 2023	5,001	2.59	11/01/2026	–
Commercial Bank Bond issued in 2025	5,000	1.85	28/02/2028	–
TLAC Non-capital Bond of Commercial Bank issued in 2025	5,000	1.75	10/07/2029	–
Policy Bank Bond issued in 2021	4,940	3.30	03/03/2026	–
Tier-2 Capital Bond of Commercial Bank issued in 2025	4,500	1.92	24/07/2035	–
Foreign-funded Bank Bond issued in 2025	4,282	4.38	27/08/2035	–
Policy Bank Bond issued in 2025	4,200	1.44	12/02/2027	–

Note: Excluding the provision for impairment in the stage 1 withdrawn according to the expected credit loss model.

③ Foreclosed assets

The selected information of the Group's foreclosed assets on the dates indicated is shown below:

(in millions of RMB)

	31 December 2025	31 December 2024
Original value of foreclosed assets	871	956
Less: Impairment allowance of foreclosed assets	(431)	(433)
Net value of foreclosed assets	440	523

(2) *Liabilities*

During the Reporting Period, the Group conscientiously implemented the “six characteristics”¹ management requirements for liability quality, continuously enhancing its liability quality management capabilities and standards, adhering to the objectives of operational safety, liquidity, and profitability, following principles aligned with business strategies, risk appetite, and overall business characteristics, optimizing and improving a liability quality management system commensurate with the scale and complexity of liabilities, continuously consolidating the customer base, and further enhancing monitoring, analysis, and management of liability sources, structure, and costs, thereby maintaining the steady development of overall liability business.

¹ Stability of liability sources, diversity of liability structures, rationality of matching liabilities and assets, initiative in acquiring liabilities, appropriateness of liability costs, and authenticity of liability projects.

The balance and proportion of the main components in the total liabilities of the Group as of the dates indicated are shown below:

(in millions of RMB unless otherwise stated)

	31 December 2025		31 December 2024		31 December 2023	
	Balance	Proportion (%)	Balance	Proportion (%)	Balance	Proportion (%)
Deposits from customers	9,307,815	65.23	8,800,335	64.03	8,551,215	65.98
Due to and placements from banks and other financial institutions	2,477,757	17.37	2,431,451	17.69	2,424,537	18.71
Certificates of deposits issued	1,403,271	9.84	1,384,372	10.07	1,027,461	7.93
Debt securities issued	692,085	4.85	691,248	5.03	592,175	4.57
Others	387,178	2.71	437,714	3.18	365,634	2.81
Total liabilities	14,268,106	100.00	13,745,120	100.00	12,961,022	100.00

As at the end of the Reporting Period, the Group's total liabilities increased by 522.986 billion or 3.80% from the end of the previous year to 14,268.106 billion. Among them, deposits from customers increased by 507.480 billion or 5.77% from the end of the previous year, which accounted for 65.23% of total liabilities and represented an increase of 1.20 percentage points from the end of the previous year; the balance of due to and placements from banks and other financial institutions increased by 46.306 billion or 1.90% from the end of the previous year, which accounted for 17.37% of total liabilities and represented a decrease of 0.32 percentage points from the end of the previous year.

Deposits from customers

Deposits from customers are the Group's major funding source. As at the end of the Reporting Period, the balance of the Group's deposits from customers increased by 507.480 billion or 5.77% from the end of the previous year to 9,307.815 billion. In terms of customer structure, the proportion of corporate deposits was 54.59%, representing a decrease of 1.09 percentage points from the end of the previous year, while the proportion of personal deposits was 43.62%, representing an increase of 1.24 percentage points from the end of the previous year. In terms of deposit tenure, the proportion of demand deposits decreased by 2.25 percentage points from the end of the previous year to 30.83%, while the proportion of time deposits increased by 2.40 percentage points from the end of the previous year to 67.38%.

The balance and breakdown of the Group's deposits from customers as of the dates indicated are shown below:

(in millions of RMB unless otherwise stated)

	31 December 2025		31 December 2024		31 December 2023	
	Balance	Proportion (%)	Balance	Proportion (%)	Balance	Proportion (%)
Corporate deposits	5,081,685	54.59	4,900,260	55.68	5,041,991	58.96
– Demand deposits	1,857,908	19.96	1,961,964	22.29	2,050,524	23.98
– Time deposits	3,223,777	34.63	2,938,296	33.39	2,991,467	34.98
Personal deposits	4,059,392	43.62	3,729,547	42.38	3,358,156	39.27
– Demand deposits	1,011,343	10.87	949,259	10.79	884,746	10.35
– Time deposits	3,048,049	32.75	2,780,288	31.59	2,473,410	28.92
Other deposits	2,433	0.02	3,436	0.04	3,240	0.04
Accrued interest	164,305	1.77	167,092	1.90	147,828	1.73
Total	9,307,815	100.00	8,800,335	100.00	8,551,215	100.00

(3) Off-balance sheet items

The Group's off-balance sheet items included agency investment and financing services, intermediary services, derivative financial instruments, contingencies and commitments. Of which, agency investment and financing services mainly included, among others, asset management products, offering brokerage and security underwriting; intermediary services mainly included, among others, agency services and asset custody; derivative financial instruments mainly included, among others, interest rate contracts, exchange rate contracts, precious metals and commodity contracts; contingencies and commitments mainly included outstanding litigations, credit related commitments and financial guarantees, capital expenditure commitments, operating leasing commitments, commitments on security underwriting and bond acceptance.

3. *Analysis on Key Cash Flow Items*

As at the end of the Reporting Period, the balance of Group's cash and cash equivalents decreased by 35.488 billion from the end of the previous year to 126.462 billion.

The cash flow from operating activities recorded a year-on-year increase of 189.789 billion in net inflow to 132.441 billion, which was mainly due to the increase in cash inflows from deposits from customers during the period, as well as the increase in net cash flows generated from liquidity management tools such as inter-bank lending and repurchase.

The cash flow from investing activities recorded a year-on-year increase of 82.383 billion in net outflow to 180.472 billion, which was mainly due to the net cash outflows from bond investment in the period.

The cash flows from financing activities recorded a year-on-year decrease of 29.568 billion in net inflow to 12.952 billion, which was mainly because although the cash inflows from the issuance of ordinary shares increased in the period, net cash flows from financing activities decreased due to a decrease in the net cash flow from issuance of bonds and perpetual bonds.

4. *Segment Analysis*

(1) *Operating results by geographical segments*

The net operating income from each of the Group's geographical segments for the periods indicated are shown below:

(in millions of RMB unless otherwise stated)

	2025		2024	
	Net operating income ¹	Proportion (%)	Net operating income ¹	Proportion (%)
Yangtze River Delta	101,120	38.07	95,402	36.66
Pearl River Delta	25,046	9.43	25,259	9.70
Bohai Rim Economic Zone	32,919	12.39	33,401	12.83
Central China	35,462	13.35	37,038	14.24
Western China	23,176	8.73	23,421	9.00
North Eastern China	7,270	2.74	7,844	3.01
Overseas	19,593	7.38	18,762	7.21
Head Office ²	21,014	7.91	19,142	7.35
Total³	265,600	100.00	260,269	100.00

Notes:

1. Including net interest income, net fee and commission income, net gains/(losses) arising from trading activities, net gains/(losses) arising from financial investments, net gains/(losses) on investments in associates and joint ventures and other operating income. Same applies hereinafter.
2. Including the Pacific Credit Card Center. Same applies hereinafter.
3. The comparative information was prepared in accordance with the categorization of the current period since the assessment rules of the income and expense distribution between various business segments have been adjusted.

(2) *Deposits and loans and advances by geographical segments*

The Group's loans and advances balances by geographical segments as at the dates indicated are shown below:

(in millions of RMB unless otherwise stated)

	31 December 2025		31 December 2024	
	Loans and advances balances	Proportion (%)	Loans and advances balances	Proportion (%)
Yangtze River Delta	2,672,097	29.29	2,432,084	28.43
Pearl River Delta	1,221,976	13.39	1,115,864	13.04
Bohai Rim Economic Zone	1,423,266	15.60	1,406,292	16.44
Central China	1,471,281	16.13	1,370,600	16.03
Western China	1,126,880	12.35	1,024,200	11.97
North Eastern China	283,061	3.10	274,860	3.21
Overseas	331,428	3.63	329,666	3.85
Head Office	593,582	6.51	601,556	7.03
Total	9,123,571	100.00	8,555,122	100.00

The Group's deposit balances by geographical segments as at the dates indicated are shown below:

(in millions of RMB unless otherwise stated)

	31 December 2025		31 December 2024	
	Deposit balances	Proportion (%)	Deposit balances	Proportion (%)
Yangtze River Delta	2,581,989	27.74	2,433,080	27.65
Pearl River Delta	1,068,529	11.48	1,037,123	11.79
Bohai Rim Economic Zone	2,000,094	21.49	1,892,633	21.51
Central China	1,561,378	16.77	1,436,159	16.31
Western China	968,094	10.40	913,041	10.37
North Eastern China	466,764	5.01	441,464	5.02
Overseas	493,285	5.30	476,226	5.41
Head Office	3,378	0.04	3,517	0.04
Accrued interest	164,304	1.77	167,092	1.90
Total	9,307,815	100.00	8,800,335	100.00

(3) *Operating results by business segments*

The Group's four main business segments are corporate banking, personal banking, treasury businesses and other businesses.

The Group's net operating income by business segments for the periods indicated are shown below:

(in millions of RMB unless otherwise stated)

	2025		2024	
	Amount	Proportion (%)	Amount	Proportion (%)
Net operating income	133,062	50.10	126,415	48.57
Corporate banking	96,734	36.42	102,659	39.44
Personal banking	34,572	13.02	30,208	11.61
Treasury businesses	1,232	0.46	987	0.38
Other businesses	265,600	100.00	260,269	100.00

Note: The comparative information was prepared in accordance with the categorization of the current period since the assessment rules of the income and expense distribution between various business segments have been adjusted.

(II) Business Review

1. *Development Strategies and Implementation Progress*

Aiming at contributing to China's ambition of building a strong financial powerhouse, the Group actively and effectively played the role as the main force in serving China's real economy and the ballast for maintaining financial stability, continued with its in depth efforts to promote the 14th Five-Year strategy, implemented the "five priorities", and successfully completed the tasks under the 14th Five-Year Plan.

Financial support was accurately and effectively advanced for the real economy. The Bank resolutely implemented all macroeconomic control policies, adapting to economic restructuring and shifts in demand. As at the end of 2025, the balance of all domestic RMB loans reached 8.87 trillion, representing a 7.88% increase from the end of the previous year. By supporting the expansion of effective investment, growth in lending to the manufacturing sector, and private enterprises all outpaced the average growth of all loans. By actively supporting the recovery and expansion of consumption, the market share of personal housing loans, consumer loans, credit card loans, and personal business loans has increased. In strong support of stabilizing foreign trade and investment, the "BOCOM Shipping-Trade" cross-border financial services platform was launched, driving an increase in our market share for international settlements and cross-border RMB transactions. By promoting coordinated urban-rural and regional development, credit balance amounted to 4,925.052 billion in the three key regions including Beijing-Tianjin-Hebei, Yangtze River Delta, and Guangdong-Hong Kong-Macao Greater Bay Area, representing an increase of 6.59% from the end of the previous year, while agricultural loans balance was 833.373 billion, which grew by 11.99% over the end of the previous year.

The “five priorities” were solidly promoted. The Bank optimized its organizational structure and established a product and service system covering the full lifecycle of enterprises. As at the end of 2025, the balance of technology loans amounted to 1.58 trillion, representing a 10.73% increase from the end of the previous year. By expanding the product portfolio, refining the organizational structure and collaboratively advancing transition finance, the balance of the domestic branches’ green loans reached 950.825 billion, representing a 14.16% increase from the end of the previous year. By intensifying the promotion of active credit granting model, the balance of inclusive micro and small enterprise loans reached 910.05 billion, representing a 20.76% increase from the end of the previous year. By advancing on multiple fronts encompassing pensions, annuities, the silver economy and service models, the loan balance for the ageing industry reached 6.762 billion, representing a 49.12% increase from the end of the previous year. By optimizing the digital service ecosystem, the loan balance for the core digital economy industries reached 319.32 billion, representing a 14.46% increase from the end of the previous year.

Sci-tech finance. The Bank continuously improved its top-level design and established an organizational service mechanism that connects the head office and branches and enables coordination between the two levels. This achieved full coverage of dedicated sci-tech finance institutions in key branches and established over 100 technology-focused and technology-characteristic sub-branches. We built a full-cycle sci-tech finance service system, developed an integrated multi-dimensional service solution covering “stocks, loans, debts, leases and trust”, and innovatively launched the active credit granting service model. We leveraged the supporting and leading role of equity investment, actively responded to the expanded pilot program for equity investment, and the equity investment funds of the Financial Asset Investment Company covered provinces where 18 pilot cities were located. We fully utilized policy tools and leveraged technological innovation and technical renovation re-lending to provide targeted support. As at the end of the Reporting Period, the balance of technology loans reached 1.58 trillion, representing an increase of 10.73% compared to the end of the previous year. Loans to “SRDI (specialized, refined, differential, innovative)” small and medium-sized enterprises and technology-based small and medium-sized enterprises grew by 21.02% and 36.29% compared to the end of the previous year, respectively.

Green finance. The Bank focused on serving the national strategies of carbon peaking and carbon neutrality, building a beautiful China and promoting the comprehensive green transformation of economic and social development, accelerated improvements to the green financial system, improved the governance structure of green finance, actively supported green and low-carbon transformation in key areas and served the construction of the new energy system. We continuously enriched green finance and transition financial products and services and propelled the implementation of featured business products and services such as sustainability-linked loans, China Certified Emission Reduction (CCER) pledge financing, and eco-environment-oriented development (EOD) financing. We incorporated ESG into the business management process and comprehensive risk management system and launched the dynamic assessment. We actively support the construction of clean energy, green and low-carbon initiatives, and new infrastructures in Belt and Road countries. As at the end of the Reporting Period, the balance of the domestic branches' green loans reached 950.825 billion, representing an increase of 14.16%² over the last year.

Inclusive finance. The Bank focused on strengthening financial support for key sectors including foreign trade, private enterprises, technology, and consumer industries. We enhanced technology-driven capabilities and digital empowerment, promoted active credit granting service model, optimized the business processes, continuously built the inclusive finance and rural revitalization brand and product system and actively built the “credit+” service model, providing one-stop comprehensive financial services for small and micro enterprises. We expanded the supply of agriculture-related financial services via launching “Farmers’ Quick Loan” online unsecured lending product, and continuously strengthened financial support for key areas such as food security, wealth-generating industries, rural development, and consolidation and expansion of poverty alleviation achievements. As at the end of the Reporting Period, the balance of inclusive loans for small and micro enterprises and agriculture-related loans reached 910.050 billion and 833.373 billion, representing an increase of 20.76% and 11.99%³ compared to the end of the previous year, respectively.

² The year-on-year growth rate is calculated using the adjusted figure at the beginning of the year.

³ Same as footnote 2.

Ageing finance. The Bank anchored the goal of “building an elderly-friendly bank”, comprehensively promoted the improvement of the ageing finance service system, focusing on five key areas including finance for the ageing industry, pension finance, pension wealth management, pension consumer finance, and the enhancement of elderly-friendly financial services and rights protection. We actively supported the development of the ageing industry and the silver economy and continuously enriched the supply of pension wealth management products, and the number of elderly-friendly products on sale and the scale of pension custody rank among the top in the industry. In collaboration with the Ministry of Civil Affairs, we launched innovative pilot programs and introduced products such as the Elderly Care e-Loan. As at the end of the Reporting Period, the Bank’s loan balance for the ageing industry amounted to 6.762 billion, representing an increase of 49.12% compared to the end of the previous year.

Digital finance. The Bank continued to strengthen the top-level design of digital finance, comprehensively enhanced the Bank’s management of product innovation as well as the risk control of new products and new businesses. The Bank established a Digital Intelligence Operations Center to enhance centralized efficiency. We deepened the innovative application of digital technologies and data elements, deploying over 2,500 AI-powered intelligent assistants across scenes including inclusive and targeted retail services, risk-based credit granting, operations and customer services, and office administration and R&D. The Bank focused on strategic key areas and innovated digital products and services. Key products like Salary Pass, Cloud inter-bank, Treasury, and BOCOM e-Supervision achieved expanded coverage and increased usage. We deeply engaged in aviation trade digital chain development, launched the BOCOM Shipping-Trade platform to support one-stop online foreign trade financial services. The digital RMB measurement framework and interest calculation conversion were successfully implemented and launched. Trading activity level on the multilateral central bank digital currency bridge remained among the highest in the market.

The Bank continued to build its distinctive strengths in wealth finance and trade finance. **In terms of wealth management**, the Group fully leveraged its strength in universal financial services, attributable to its full array of financial service licenses, to continuously strengthen the end-to-end wealth management capabilities across investment research, product selection, asset allocation, and client engagement. We provided clients with a suite of financial products and one-stop financial services, and launched digital precision marketing through the marketing middle office and client manager work platforms, enhancing the accessibility and coverage of wealth management services. As at the end of the Reporting Period, the Bank served 6.88 million customers holding wealth management products and the balance of wealth management AUM was 2.16 trillion, an increase of 10% compared to the end of the previous year. During the Reporting Period, the Bank was honored with multiple awards, including the “2025 Bank Wealth Management Brand Award”. **In terms of trade finance**, we continuously iterated the product system comprising “basic products + online products + instant financing products”, and innovated distinctive “chain finance” solutions. During the Reporting Period, the volume of supply chain finance business reached 676.036 billion, representing a 9.64% year-on-year growth. We continuously enhanced the quality and efficiency of cross-border trade services, and innovatively launched the “BOCOM Shipping-Trade” platform, which contributed to a 7.61% year-on-year increase in cross-border business revenue.

Leveraging the advantage as a Shanghai-based bank. Starting from strengthening financial service functions, the Bank was committed to reshaping the service model and business processes with the “one thing” mindset and digital means, fully supporting building Shanghai into “five centers” and bolstering Shanghai’s high-quality economic and social development.

Intensifying the Advantages of Shanghai Home Base to Empower High-quality Development

As the only large state-owned bank headquartered in Shanghai, the Bank clearly put forward the "Shanghai-based bank" strategy in the 14th Five-Year Plan, and supported the construction of Shanghai's "five centers" with financial strength. Driven by the dual wheels of "top-level design + resource aggregation", the Bank fully coordinated the Group's resources, gave full play to the advantages of comprehensive operation and globalized services, built the "Shanghai-based bank" into an "innovation source" for high-quality development, and drove the high-quality development of the entire Bank.

Focusing on the construction of Shanghai Science and Technology Innovation Center. Based on Shanghai's industrial layout and characteristics, the Bank increased support for the technology industry, gave play to the Group's advantage of full financial licenses, and focused on improving the full-cycle comprehensive services of "stocks, loans, debts, leases and trust". With the head office-level sci-tech finance center (Zhangjiang) as the core carrier, the Bank jointly built 8 sci-tech finance service stations with regional technology element institutions. The Bank jointly built the "BOCOM Sci-Tech Innovation Shanghai Joint Innovation Laboratory" with the Shanghai Municipal Science and Technology Commission and the Shanghai Science and Technology Innovation Center. The Bank launched an action plan for Shanghai's three pillar industries (integrated circuits) and supported a number of key municipal integrated circuit projects. Seizing the opportunity of the expanded pilot of financial asset investment companies, the Bank established the Shanghai-based bank Sci-Tech Innovation Theme Fund to improve the comprehensive service capacity for scientific and technological innovation.

Deeply integrating into the construction of Shanghai's financial market. During the Reporting Period, the Bank completed transactions totaling 1.65 trillion under Bond Connect and Swap Connect. The Bank expanded the global network layout of the Cross-border Interbank Payment System (CIPS) and promoted the application and deployment of innovative products. The Bank's fiduciary clearing volume of the interbank factor market and the settlement volume of the securities and futures factor market remained at the forefront of the market. The Bank supported the construction of Shanghai's new asset management platform and participated in initiating the establishment of Shanghai Guozhi Technology Co., Ltd.

Fully serving Shanghai's high-level opening-up. The Bank implemented the requirements for the digital development of Shanghai's shipping and trade, developed and launched the BOCOM Shipping-Trade platform and the Foreign Trade Fast Loan product, and established a dedicated service zone for import and export customers. The Bank accelerated the expansion, quality improvement and scale growth of electronic bills of lading, electronic letters of credit, Shanghai Trade Batch Loans, document duplicate checking, Shipping Manager (COSCO Version) and other services. The re-lending for shipping and trade blockchain letters of credit and the financing for bulk commodities on the Nonferrous Metals Network platform ranked among the top in the industry.

Actively supporting the construction of Shanghai as an International Consumption Center City. Focusing on the full scenario of "air entry – ground transportation – accommodation consumption – cultural tourism experience", the Bank created a full-chain payment solution. As the exclusive acquirer, the Bank supported the "Flash Pass" project of Shanghai Shentong Metro and Maglev, improving the convenience of direct card swiping for domestic and foreign bank cards to enter the station. The Bank continued to promote digital RMB, and as the only selected banking institution, drove the gate renovation of Shanghai Shentong Metro and Shanghai Maglev.

As at the end of the Reporting Period, the growth rates of RMB deposits and loans in Shanghai were approximately 6% and 16% respectively; the growth rates of RMB deposits and loans in the Yangtze River Delta region were approximately 6.3% and 12% respectively, and institutions in the Yangtze River Delta region contributed nearly half of the Group's profits.

In the future, the Bank will further advance the development of the "Shanghai-based bank", continue to increase resource input, give full play to the innovative demonstration role of Shanghai, and lead and drive the high-quality development of the entire Bank.

2. *Corporate finance business*

- ◆ We focused on advancing the “five priorities”, served as the main force in serving the real economy, and drove both an increase in the total volume of credit disbursement and an optimization of its structure. As at the end of the Reporting Period, the Group’s corporate loans balance was 6,043.810 billion, increased 8.57% from the end of the previous year.
- ◆ We served national strategies and supported the development of key areas. We actively and thoroughly implemented the national key regional strategy by established a regional evaluation system covering dimensions including customer base, key sectors, value creation, and distinctive business lines. This system helped enhance the quality of serving key regions including the Beijing-Tianjin-Hebei region, Yangtze River Delta, and Guangdong-Hong Kong-Macao Greater Bay Area. The institutional mechanisms and product systems serving these key regions were continuously being refined. As at the end of the Reporting Period, the balance of loans extended in the three key regions including the Yangtze River Delta, the Guangdong Hong Kong-Macau Greater Bay Area and the Beijing-Tianjin-Hebei Region amounted to 4,925.052 billion, increasing by 6.59% over the end of the previous year and accounting for 53.99% of the Bank’s total loans.

(1) *Sci-tech financial services*

The Bank continued to optimize the multi-tiered sci-tech financial services system, jointly building an ecosystem of financial service scenes to provide technology-based enterprises with full-cycle, end-to-end, and relay-style financial services.

Finance Embracing "Innovation", Serving High-level Sci-tech Self-reliance and Self-strengthening

The Bank has always regarded doing a good job in sci-tech finance as an important measure to practice the political and people-oriented nature of financial work, continuously optimized the multi-level service system of sci-tech finance, provided full-cycle, end-to-end, and relay-style financial services for sci-tech innovation enterprises, and promoted the establishment and improvement of a financial service system highly compatible with the realization of high-level sci-tech self-reliance and self-strengthening and the construction of a strong sci-tech powerhouse.

Strengthening top-level design and improving the multi-level sci-tech finance service system. At the Head Office level, the Bank established a logical head office-level sci-tech finance center and a sci-tech finance committee covering front, middle and back-office departments and subsidiaries, which jointly promoted the resolution of difficulties and bottlenecks in the advancement of sci-tech finance. At the branch level, 35 branches set up special promotion institutions for sci-tech finance (Sci-tech finance department/center/special class/flexible team). At the sub-branch level, the total number of sci-tech sub-branches and sci-tech featured sub-branches exceeded 100. Action measures to promote the high-quality development of sci-tech finance were formulated, focusing on six aspects: optimizing organizational mechanisms, upgrading credit service systems, expanding direct financing channels, building innovation promotion mechanisms, improving Group collaboration efficiency and strengthening support and safeguards, so as to improve work efficiency and enhance overall collaboration capacity across the Bank.

Improving differentiated policies and building an efficient credit service system. Taking the “Ke Chuang Yi Dai (literally, Sci-Tech Loan Easy)” product line as the starting point, The Bank provided corresponding solutions for small and micro sci-tech enterprises according to the characteristics and needs of different development stages. For start-up enterprises, the Bank launched the “Sci-Tech Talent Loan”, which took talent qualifications as evaluation factors, changed the mortgage model and solved financing difficulties. For growth-stage enterprises, the Bank created the characteristic “Sci-Tech Scenario Loan” product, which integrated local government data and policies to increase credit lines. To meet the high-limit and online financing needs of mature enterprises, the Bank provided the “Sci-Tech Quick Loan” with industry-leading credit lines. The Bank actively promoted the proactive credit granting service model, used technologies such as big data, privacy computing and data sandbox to pre-calculate pre-approved credit lines for enterprises, realizing proactive credit “delivery” to enterprises.

Strengthening Group-wide collaboration and boosting direct financing through “equity, debt and leasing”. The Bank gave full play to the full financial license advantage to help technology-based enterprises with direct financing. BOCOM Investment launched the “New Seedling Plan”, guiding various venture capital funds and industrial funds to gather various financial capitals toward technology-based enterprises in the fund-raising and investment links; it strengthened all-round cooperation with national-level funds such as the “National Small and Medium Enterprises Development Fund” and provided investment-loan linkage services. The Bank improved a package of services such as bond underwriting, investment, market making and credit enhancement, promoted the innovative development of sci-tech innovation bond products, further enriched the sci-tech innovation bond product system and expanded coverage. Bank of Communications Financial Leasing launched “Quick Easy Lease” and “Credit Easy Lease” products to meet the four types of equipment needs of technology-based enterprises: purchase, use, maintenance and sale.

Strengthening channel and system construction to fully support innovation entities. The Bank jointly launched the “Five Ones” (i.e. one visit, one enterprise-bank meeting, one financing roadshow, launch one batch of financing products and form one batch of duplicable experiences) Special Action of visiting thousands of enterprises and households with the Torch Center of the Ministry of Industry and Information Technology (MIIT). Taking key high-tech parks as a breakthrough, the Bank held a series of “Torch Empowerment, Integration of Sci-tech and Industry” themed bank-enterprise matchmaking events in 29 provinces and cities across the country, and built an innovative service platform with multi-party collaboration of “government, bank, park and enterprise”. The Bank independently developed the “1+N” technology-based enterprise evaluation model, which scored and evaluated enterprises' sci-tech innovation capabilities and technological content through five dimensions: human capital, R&D capabilities, social recognition, business performance and industry status, by combining expert experience and model algorithms, so as to improve the efficiency of sci-tech finance services.

As at the end of the Reporting Period, the balance of sci-tech loans amounted to 1.58 trillion, an increase of 10.73% from the end of the previous year. Among them, the growth rates of loans to “Specialized, Refined, Distinctive and Innovative” small and medium-sized enterprises (SMEs) and technology-based SMEs were 21.02% and 36.29% respectively.

(2) *Inclusive services for small and micro enterprises*

With full support to the Coordination Mechanism for Supporting Small and Micro Enterprise Financing, the Bank continuously enhanced the financial services for small and micro enterprises. The Bank continued to enrich the brand essence of BOCOM Zhanyetong and BOCOM Yinongtong, enhanced the on-line service capability the “Zhanye e-Loan” and “Yinong e-Loan” product series, restructured offline service processes, drove the transition from product-level credit approval to customer-level credit approval, strengthened the support for loan renewals, and achieved comprehensive coverage across all products and processes. We thoroughly implemented the “Scan-to-Access” and “Weekly Rewards” initiatives, promoted active credit granting and the “Credit+” service model. We strengthened the coordinated development of inclusive finance and sci-tech finance, and expanded the “Science and Technology Innovation Easy Loan” product line tailored for technology-based small and micro enterprises. We accelerated data-driven empowerment to further enhance digital risk management capabilities, strengthened post-loan management and compliant operations, and strictly adhered to risk and compliance standards.

As at the end of the Reporting Period, the balance of inclusive loans to small and micro enterprises reached 908.435 billion, an increase of 19.21% compared with the end of the previous year. The number of customers with outstanding loans stood at 495,700, an increase of 79,500 compared with the end of the previous year.

(3) *Industrial chain financing services*

Based on the needs of modern industrial system construction and development, the Bank focused on key customer groups such as central state-owned enterprises, strategic customers and local leading enterprises, increased support in key areas such as manufacturing, scientific and technological innovation and green development, and helped the real economy to strengthen, supplement and extend the chain. We increased the iterative optimization and market promotion of the Bank’s self-built “smart transaction chain” platform, continued to promote the docking with core enterprises and third-party supply chain platform systems, and created a digital scene service feature of industrial chain finance. We launched the financing product line enabling the loan approvals within seconds, enabled technology to improve service efficiency, optimized customer experience, and enhanced the level of financial digitalization in the industrial chain. During the Reporting Period, the financial business volume of the industrial chain reached 676.036 billion, increasing by 9.64% year-on year. There were 60,900 upstream and downstream enterprises in the service industry chain, increasing by 8.95% year-on-year.

(4) *Customer development*

The Bank deeply integrated into national development strategies and regional industrial layouts, steadfastly implemented a “customer-centric” service philosophy. Guided by the overarching goal of “strengthening medium-sized customers, stabilizing large customers, and expanding small customers”, we prioritized the Customer Base Enhancement Project, continued to implement tiered and segmented management of corporate clients and built a refined and professional service system to elevate bank-enterprise relationships and create shared value. As at the end of the Reporting Period, the total number of corporate customers of domestic branches was 3.07 million, representing an increase of 7.92% over the end of the previous year.

For group customers, we intensified services and support for key clients in strategic national sectors such as sci-tech finance, manufacturing powerhouse, green development, digital economy, and domestic demand expansion. We established a group-wide integrated collaborative service mechanism, continued to optimize policy provision and business processes, enhanced professional service standards and strengthened the Group’s collaborative operating capabilities. As at the end of the Reporting Period, the Group was home for 134,400 group customers, an increase of 22,600 from the end of the previous year. In terms of government agency clients, we actively participated in digital government initiatives and urban digitalization transformation processes, helping to deliver streamlined government services and build a smart government product ecosystem. As at the end of the Reporting Period, the Group served 84,000 government agency clients, an increase of 3,324 from the end of the previous year. In terms of small and medium-sized clients, we comprehensively upgraded the support of digitalized financial services to achieve full-channel online customer engagement. We explored the creation of online corporate loan products, established an online strategy platform and a centralized operational mechanism, systematically advanced online bulk operations while ensuring seamless integration with offline branch services, and enhanced customer service quality and efficiency through multiple channels.

(5) *Scene construction*

Targeting the four major corporate payment and settlement scene needs in the real economy, livelihood economy, platform economy, and park economy, the Bank launched the “Win-to Account Management” brand service solution to provide integrated business-finance solutions for fund settlement and operation management, serving over 50,000 corporate customers with transaction volumes exceeding 2.2 trillion during the Reporting Period. Focusing on the Group’s core needs of corporate treasury and financial management, we upgraded and launched the “Win-to Treasury Management System (Cloud Cross 3.0)”. based on Win-to Treasury “1+3+N” service system, which has cumulatively provided integrated cross-bank fund management services, including account management, corporate-bank payments, payroll disbursement, and cross-border settlements, to more than 2,500 corporate clients, establishing a differentiated service advantage with a leading position in the industry. Driven by data empowerment, we upgraded the “BOCOM Power Grid Connect” 2.0 one-stop scene solution. On the foundation of existing scenes including power construction, electrical engineering, power generation, billing, and electricity consumption, we added charging station scene services and online electricity-fee quick-loan products for power-consuming enterprises. During the year, we acquired 3,826 new clients and issued 78.657 billion in financing. Based on the BOCOM e-supervision digital integrated service platform, we delivered penetrative fund supervision capabilities to government affairs and public welfare scenes, providing users with secure, flexible, precise, and efficient full-cycle fund supervision services. To date, we served 6,521 projects. Credit+Medicare service was available in 112 cities including Shanghai, Dalian, Guangzhou, Xiamen, and Zibo, introducing a “treatment-before-payment” model that addressed the difficulty of long queues for medical care.

(6) *Investment banking*

The Bank proactively served the national strategies and integrated into its offerings diversified investment and financing products such as domestic and overseas bonds, equities and M&A financing, and actively served technological innovation, green low-carbon, high-level opening up, and regional development strategies. Seizing the opportunities of pilot policies, the Bank launched tech enterprise M&A loans, established Jiaorong New Seed Fund and Shanghai Jiaorong Continuation Fund, and participated in the establishment of the Shanghai Industrial Transformation and Upgrading Fund Phase II. During the Reporting Period, the Bank’s scale of underwriting of debt financing instruments issued by non-financial enterprises amounted to 155.125 billion.

(7) *Ageing finance*

Aiming to build “an elderly-friendly bank”, the Bank endeavored to build a business system that was friendly in terms of products, channels, services, workforce and ecosystems, fortifying the business foundation characterized by stable service entities, stable product access, stable portfolio strategies, stable property security, and stable service quality. The Bank comprehensively built an elderly care ecosystem and integrated financial services into the ecosystem.

Financial support for the ageing industry continued to be promoted. In collaboration with the Ministry of Civil Affairs, we launched pilot programs for innovative ageing finance in 11 cities. In Shanghai, we introduced the online product “Elder Care Loan” with the launch and roll-out of a guaranteed lending model. We actively promoted the implementation of service consumption and elderly care re-lending policies to support the development of elderly care service providers and entities in the silver economy. As at the end of the Reporting Period, the Bank’s loan balance for the ageing industry amounted to 6.762 billion, representing an increase of 49.12% compared to the end of the previous year. We directed the Group’s investment and financing resources toward the elderly care sector, serving as the lead underwriter for the first bond in the inter-bank market specifically supporting the ageing industry: “Hubei Culture and Tourism Group Co., Ltd. 2025 First Tranche of Targeted Debt Financing Instruments (Supporting Ageing Industry)”.

The scale of pension financial services grew rapidly. We vigorously promoted social security cards, annuities, and personal pension services, conducting over 160 themed events under the “BOCOM Pension Services to Ten Thousand Enterprises” initiative. We continued to enhance account management and custodial services for the National Social Security Fund, basic pension insurance funds, and corporate (occupational) annuities. The Bank’s pension fund custody volume amounted to 3.41 trillion, maintaining a leading position in the industry.

Financial supply of ageing wealth management was enriched. The Bank continued to optimize its “Elderly Care Select” brand, offering 382 age-friendly products and 241 personal pension products covering the gamut of the four major categories including deposits, wealth management, mutual funds, and insurance. It provided 174 pension insurance products with a maximum enrollment age of 70 or above. Leveraging our universal banking strengths, we maintained a competitive edge in specialized areas such as the scale of ageing target fund under management and the yield rates of ageing wealth management products.

The Bank promoted the financial support for ageing consumption. The Bank relaxed the age restrictions for auto loans and credit cards for senior-aged customers and offered benefits such as payment discounts and exclusive travel services for senior-aged customers in selected regions to stimulate silver-haired consumption.

Financial services became more elderly-friendly. The Bank designated 160 branch-level senior-friendly outlets, enhancing age-friendly facilities and services. We continued to optimize the “Elderly Care Edition” of Mobile Banking, BOCOM On-cloud and other on-line channels, enabling senior-aged users to handle transactions online without leaving home. We also continued to provide anti-fraud and anti-scam education for senior-aged customers.

First steps were made to build the ageing finance ecosystem. We have implemented prepaid fund supervision services for senior care facilities across multiple regions nationwide, safeguarding the “wallets” of the elderly people. We have partnered with select areas to cultivate advanced senior care professionals and develop model senior-friendly communities. Centering on core lifestyle needs including healthcare, nutrition, housing, transportation, recreation, wellness, and education, the Bank made efforts to build an integrated “senior care + financial services” ecosystem.

3. *Personal Banking*

- ◆ Personal deposits maintained volume growth while interest rates declined. The Bank actively adapted to market changes by strengthening the expansion of source funds such as payroll disbursements and social security payments. It enhanced the portfolio allocation of short- and long-term deposits alongside wealth management products, driving steady growth in deposit operations. Through refined management and improved comprehensive customer service capabilities, the Bank continuously optimized deposit structure and reduced interest expense. As at the end of the Reporting Period, personal deposit balances reached 4,059.392 billion, representing an 8.84% increase from the end of the previous year. During the Reporting Period, the average cost rate of personal deposit decreased by 36 basis points year-on-year to 1.82%.
- ◆ Personal loans maintained steady growth. We resolutely implemented the decisions and deployments of the CPC Central Committee and the State Council, adhering to the combined targets between improving people's livelihoods and boosting consumption. By addressing both supply and demand sides, we intensified our efforts to implement the special campaign to stimulate consumption. Under the premise of controllable risks, we increased loan disbursements and continuously innovated our product system through digital means to better meet customers' financial needs in the consumption sector. As at the end of the Reporting Period the balance of personal loans reached 2,835.038 billion, representing a 3.00% increase from the end of the previous year.
- ◆ Retail customer base continued to expand. We continuously strengthened our customer base, refined our tiered and segmented customer service system, and advanced omnichannel customer acquisition and engagement through online and offline channels. Addressing customers' diverse and multi-level needs, we established a unified retail customer points and benefits platform across the entire bank. As at the end of the Reporting Period, the number of retail customers at domestic branches reached 205 million (including debit card and credit card customers).

(1) *Wealth management*

The Bank continuously enhanced the full-chain wealth management capabilities – spanning investment research, product selection, allocation, and engagement – to diversify channels to increase property income for urban and rural residents and advance common prosperity. We enhanced investment research capabilities by integrating Group-wide resources, and proposing asset allocation recommendations. We enhanced product selection capabilities by prioritizing collaborations with leading high-quality companies and continuously building the “OTO Choice” brand. “OTO Choice” funds and wealth management products consistently outperformed market averages. We strengthened asset allocation capabilities by publishing quarterly asset allocation recommendations and continuously optimizing our wealth management system to provide personalized asset allocation services to customers. The Bank prioritized genuine customer engagement and service delivery, launching initiatives such as the wealth management in “100 Cities and 10,000 Households” and “OTO Wealth Management Tour Across Ten Thousand Miles” to bring wealth management services to households nationwide. During the Reporting Period, the balance of personal public funds products on consignment was 230 billion, the balance of personal wealth management products on consignment was 1,022.5 billion, the balance of insurance products on consignment was 374 billion. Revenues from the sales of wealth management products, mutual funds and precious metals increased by 19.43%, 15.84% and 33.18% year-on-year respectively.

(2) *Personal lending*

The Bank actively met residents’ essential and upgrading housing needs by deepening strategic cooperation with high-quality key channels, advancing full-process functional optimization, and promoting a lightweight mobile application model. During the Reporting Period, personal housing loans extended amounted to over 180 billion, meeting the housing demands of nearly 180,000 households. As at the end of the Reporting Period, the outstanding balance of personal housing loans stood at 1,442.452 billion, a decrease of 1.65% compared to the end of the previous year.

The Bank actively aligned with the national initiative to boost consumption, innovating and iterating its product offerings. By seizing opportunities presented by fiscal interest subsidy policies, expanding payment channels for consumer loans, enhancing the customer experience in utilizing interest subsidy features, and deepening digital operations, the Bank better met residents’ diverse consumer credit needs. We vigorously supported residents’ automobile consumption by optimizing auto loan business processes, continuously enhancing product capabilities, and strengthening head-to-head cooperation with mainstream automotive brands. During the Reporting Period, 1.4642 million customers signed fiscal interest subsidy agreements, covering 3.2101 million eligible loan contracts with a total subsidized consumption amount of 16.25 billion. By the end of the Reporting Period, outstanding personal consumer loans reached 395.731 billion, representing a 19.82% increase from the previous year-end. Focusing on the financing

needs of business entities, we implemented our personal business loan product system. For customers in specialized markets and supply chain-related businesses, we innovatively launched scene-based products such as Shang Quan Hui Dai (literally, Business Circle Loan) and “Lian Xiang Hui Dai” (literally, Supply Chain Loan) to precisely serve niche customer segments. As at the end of the Reporting Period, the outstanding balance of personal business loans reached 462.27 billion, an increase of 11.76% compared to the end of the previous year.

The Bank accelerated the digital and intelligent transformation of retail lending, continuously strengthened the construction of its risk control middle platform, and launched the “AI+” initiative. Scene applications covered the entire loan lifecycle – pre-lending, during-lending, and post-lending – supporting product innovation and business model upgrades. Fully leveraging the value of internal and external data, the Bank established a risk feature tag library with 25,000 variables. Approximately 2,000 new variables were added during the Reporting Period, contributing to the steady enhancement of risk prevention and control capabilities. The Bank developed over 100 risk models, adding 31 new models during the Reporting Period. The predictive capabilities of newly iterated models improved by an average of over 25%. The Bank was awarded the first prize in the team category at the National Financial Industry Digital Transformation Skills Competition organized by the All-China Financial Workers’ Federation.

(3) *Private banking*

The Bank remains committed to a customer-centric approach, advancing the digitalization and comprehensive management of its private banking customer base. We organized customer activities centered on preserving China’s outstanding traditional culture and promoting Chinese civilization, such as “Cultural Continuity through the Past and Present”, “Visiting Prestigious Universities” and “Scholarly BOCOM”. The Bank enhanced the investment research service system, continuously curating high-quality products for clients to precisely match their diversified asset allocation needs and support steady asset appreciation. The Bank guided wealth toward positive impact by hosting the “Blue Balloon Charity • Wealth for Good” launch event, elevating the Bank’s influence in philanthropic initiatives. We innovated and implemented multiple service models, including commercial pensions, direct payments for retirement communities, and retirement charitable trusts, achieving a 40.55% year-on-year growth in family wealth management business scale. As at the end of the Reporting Period, the Group was home for 105,100 private banking customers, representing an increase of 11.62% from the end of the previous year. Assets of private banking customers under the Group’s management totaled 1,430.128 billion, representing an increase of 10.39% from the end of the previous year.

(4) *Credit cards*

The Bank continuously enriched card benefits and consumption scenes to boost spending and improve people's livelihoods. In 2025, we launched inclusive cardholder activities including "Lucky Draw for Spending", "Cultural Tourism & Travel Rewards Draw", "Championship Battle" and "Fortune Arrives". We refreshed and upgraded our flagship "Super Red Friday" marketing campaign to cover high-frequency spending areas like shopping, fueling, and travel. Leveraging the "County-Level Stores Bringing Benefits to People" initiative, we tapped into the untapped potential of county-level consumption. We vigorously supported service consumption, contributing to the development of five major international consumption hub cities. As at the end of the Reporting Period, the balance of credit card loans of domestic branches reached 531.224 billion⁴. The Bank intensified financial support for auto mobile consumption. By the end of the Reporting Period, the balance of auto installment loans was 117.642 billion, increasing by 23.19% compared to the end of the previous year. The number of auto installment loan customers rose by 39.55% year-on-year to 1.0056 million. As at the end of the Reporting Period, the number of credit cards in force totaled 57.9935 million. During the Reporting Period, credit card spending volume amounted to 2,183.782 billion.

The Bank continued to promoted the transformation and reform on the localized operation of credit card. By the end of the Reporting Period, 38 branches had fully assumed local credit card management responsibilities. Compared to pre-transformation levels, the number of the incremental active local accounts, the share of high-quality customers among newly issued cards, and the number of customers using scene-based installment services increased by 140%, 1.3 percentage points, and 155%, respectively.

(5) *Retail customers and retail assets under management (AUM)*

The Bank strengthened refined management of the entire retail customer base, deepened tiered and categorized customer operations, promoted steady growth of private banking, OTO Fortune, mid-tier, and basic customers, implemented a customer base enhancement initiative, and strengthened integrated operations for key customer segments such as payroll customers, senior-aged customers, social security customers, merchants, and new urban residents, forming a systematic payroll-driven development model. Based on customer characteristics, we precisely matched differentiated products, benefits, channels, and engagement approaches, enhancing comprehensive customer service capabilities, meeting customers' diversified financial needs, and expanding both the breadth and scale of the customer base. We enhanced digital tool platforms, and refine online-offline synergy mechanisms. As at the end of the Reporting Period, domestic branches served 205 million retail customers (including debit and credit card holders), representing a 3.09% increase from the previous year-end. Among these, 2.8999 million were OTO Fortune customers, growing by 9.31% from the end of the previous year. Retail AUM totaled 5.9784 trillion, growing 8.91% from the end of the previous year.

⁴ Note: The outstanding credit card overdraft balance of domestic institutions includes the outstanding loan balance of personal credit cards and corporate government credit cards.

(6) *Payment and scenes*

The Bank earnestly implemented the decisions and arrangements of the CPC Central Committee and the State Council regarding promoting consumption. We strengthened organizational support, enhanced financial backing in the consumption sector, enhanced basic financial services, and deepened innovation in financial products and services. In collaboration with major e-commerce platforms and key commercial district merchants nationwide, we focused on high-frequency consumption scenes such as cultural tourism, dining, shopping, travel, and e-commerce to launch diverse marketing campaigns. We launched the “Cultural Tourism Grand Show” project to continuously enhance cultural tourism consumption scenes, establishing a comprehensive customer benefits system covering “dining, accommodation, transportation, sightseeing, shopping, and entertainment”. A series of offline customer activities were unfolded under the Cultural Tourism Grand Show project.

The Bank continued to enhance payment convenience for both domestic and international individuals by launching the BOCOM version of “Instant Tax Refund” financial service solution. It has successively rolled out tax refund services for outbound tourists in Hunan, Hainan, Shanghai, and other regions. Payment services were continuously optimized, along with improvements to the bank card acceptance environment, comprehensively elevating customer payment experience. During the Reporting Period, the coverage rate for foreign card acceptance at key merchants in priority regions and industries remained at 100%. We expanded the scope of Credit+Medicare service to cover 1,445 medical institutions across 112 cities. We provided agency settlement services and related value-added services for China Development Bank’s student loans to financially disadvantaged students in higher education institutions across 13 provinces (autonomous regions and municipalities), serving over 2.05 million students cumulatively over three years. We offered new resident groups dual-card credit and debit card services, card-related benefits, and exclusive products. As at the end of the Reporting Period, the cumulative issuance of New Resident-themed debit cards reached 3.2422 million.

4. *Inter-bank and Financial Market Business*

- ◆ The Bank actively served the development of a modernized financial system construction, intensively participated in the development of financial markets including bond market, money market and foreign exchange market within China, strengthened its market making and quotation capabilities, deepened business cooperation in financial factor markets, optimized professional custody services, and transformed financial market products into quality financial services that meet the needs of economic and social development and various customers, constantly enhancing its capabilities to serve the real economy.

(1) *Inter-bank business*

The Bank intensified services across the financial factor market to support Shanghai's development as an international financial center. It assists the inter-bank market in enhancing settlement efficiency by extensively expanding services such as central counterparty agency clearing and foreign exchange settlement banking. The Bank facilitated the injection of long-term stable capital, including insurance funds, into the gold market, with Shanghai Gold Exchange's custodian bank services ranking among the top in the market for insurance-category member cooperation. The Bank continuously enhanced the intelligence level of securities and futures market settlement services, providing robust safeguards for market security and stability. During the Reporting Period, the Bank ranked among the top in the market in terms of fiduciary clearing volume at Shanghai Clearing House and the fiduciary settlement volume at Shanghai Gold Exchange and securities, futures and other financial markets.

The Bank expanded its collaborative scenes with industry peers to promote the healthy and stable development of the capital markets. We have established third-party custody partnerships with 107 securities firms, margin financing and securities lending custody collaborations with 91 securities firms, and bank-futures transfer services with 147 futures companies. These arrangements provide settlement and related services for corporate and individual clients participating in capital market investments and trading. As a digital RMB operating institution, we supported partner banks in exploring digital RMB applications across cross-border transactions, financial markets, and other domains.

(2) *Financial market business*

The Bank effectively fulfilled its role as a mainstay in serving the real economy and a ballast in maintaining financial stability. By comprehensively utilizing investment and trading tools, the Bank supported financial needs in major strategic initiatives, key sectors, and vulnerable areas, thereby contributing to high-quality economic and social development.

The Bank fully leveraged its role as a major state-owned financial institution, actively engaging in market-making and trading activities. It continued to maintain its position as an active trading bank in the market, contributing to the formation of the "Shanghai Price". During the Reporting Period, the RMB money market trading volume of the Bank's domestic branches totaled 114 trillion, the foreign currency money market trading volume USD1.35 trillion, the RMB cash bond trading volume 6.99 trillion, the inter-bank foreign exchange trading volume USD4.10 trillion, the proprietary gold trading volume 2.41 trillion, continuing to defend its position as an active market trader. During the Reporting Period, the Bank became one of the first market makers for bond repurchase transactions under the Northbound Bond Connect program and among the first to conduct trading of new gold contracts on the Shanghai Gold Exchange in Hong Kong. We intensified trading operations to support the "five priorities", launching the "BOCOM-JPMorgan Fund Joint Classification Catalog Green Bond Basket". We pioneered credit derivative transactions referencing technology-based enterprises and implemented the first specialized inter-bank loans supporting green business initiatives.

(3) *Asset custody*

Leveraging the role of custodial financial infrastructure to support stable financial market operations, we successfully obtained qualification as a custodian and clearing bank for the Bond Connect Southbound program. Embracing the “Custody+” service philosophy, we harnessed the Group’s integrated operation advantages and custodial service advantages to enhance synergy and resource integration. Centering on customer demand chains and value chains, we deliver comprehensive one-stop services. In terms of serving ageing finance, we optimized services for the first pillar of senior care, developed custody service for the second pillar such as corporate pension plans, strengthened foundational services, and enriched value-added services. Coverage of corporate pension plan custody continued to expand, while we actively pursued the implementation of more third-pillar custody products. In terms of serving technology finance, we seized opportunities arising from the establishment and expansion of national and regional industrial investment funds. Using private equity fund custody as a lever, we leverage integrated “stocks, loans, debts, leases and trust” services to provide financial support throughout the entire lifecycle of technology innovation enterprises. The Bank intensified cooperation with high-quality fund companies, jointly seizing market opportunities through collaborative product innovation and forward-looking positioning. The number of newly issued public funds increased significantly, with innovative products such as the first batch of floating management fee products and free cash flow ETFs in the custody market. The Bank enhanced digital custody capabilities with the latest upgrading of the custody system and online client service platform system. The Bank diligently performed the duties as a custodian through adhering to the compliance standards for custody operations and continuously optimizing the risk control mechanisms. No major risk incidents occurred throughout the year.

As at the end of the Reporting Period, the total assets under custody reached 18.26 trillion, including 3.41 trillion in pension funds, 2.18 trillion in securities investment funds, and 1.97 trillion in insurance funds, growing by 269 million from the end of the previous year.

5. *Universal Banking Services*

- ◆ The Group has established a development pattern with commercial banking as the main body, in close coordination and connection with other financial services including financial leasing, fund management, wealth management, trust, insurance, overseas securities and debt-to-equity swap, so as to provide comprehensive financial services for customers.
- ◆ During the Reporting Period, the Bank’s subsidiaries⁵ earned a net profit attributable to shareholders of the parent company of 10.094 billion, representing 10.56% of the Group’s net profit. As at the end of the Reporting Period, total assets of the subsidiaries stood at 775.842 billion, representing 4.99% of the Group’s total assets.

⁵ Excluding Bank of Communications (Luxembourg) S.A., Bank of Communications (Brazil) Co., Ltd. and Bank of Communications (Hong Kong) Limited, same applies hereinafter.

Bank of Communications Financial Leasing Co., Ltd. As the Bank's wholly-owned subsidiary, the company was set up in December 2007 with a registered capital of 20.0 billion. The main business scope includes financing leasing and operating leasing in sectors such as aviation, shipping and energy power, transportation infrastructure, equipment manufacturing and livelihood services. The company is the Chief Administration Unit of the China Banking Association's (CBA) Financial Leasing Committee as well as the Chief Administration Unit of the Shanghai Banking Association's Financial Leasing Committee. The company adhered to the development strategy of "specialization, internationalization, differentiation and specialization", and deepened its efforts in shipping, aviation, equipment leasing and other business sectors. As at the end of the Reporting Period, total assets were 456.293 billion, and the balance of leasing assets was 401.332 billion. The balance of net assets was 52.461 billion. The company owned and managed 434 ships. The balance of aircraft charter assets amounted to 161.051 billion, ranking first among its peers in terms of leasing assets. The company also had a fleet of 320 planes and a balance of aviation leasing assets amounting to 101.166 billion. During the Reporting Period, the company generated operating income of 33.423 billion, representing a year-on-year increase of 3.89%; and net profit was 4.594 billion, representing a year-on-year increase of 5.20%. The Bank received a total of 44 prestigious awards.

During the Reporting Period, the company continued to deepen its transformation and innovation efforts, with new infrastructure and new energy leasing operations accounting for over 70% of equipment leasing deployments. We actively supported high-level technological self-reliance and self-strengthening, with the technology leasing business balance reaching 65.231 billion. The number of existing technology enterprise clients increased by 17.39% compared to the beginning of the year. We were the first in the industry to achieve full coverage of leasing business for all four categories of newly expanded SPV equipment types in the Lingang New Area. Through the Shanghai Financial Leasing Transfer Center, the company successfully completed new energy financial leasing and operating leasing asset transfer projects, both certified as industry firsts. The company continued to deepen transformation and innovation. By the end of the Reporting Period, operating leasing assets accounted for 53.48% and direct leasing business accounted for 61.49%, both maintaining industry-leading positions.

During the Reporting Period, the company coordinated with 31 provincial branches of the bank to achieve a financing scale of 49.53 billion; continued promotion of the Group's "Digital Chain Financial Leasing" business products, with the successful implementation of the Company's first "Smart Easy Lease" project; collaborated with the Bank's Shanghai Branch to execute the Company's inaugural zero-carbon hydrogen ammonia leasing transaction; signed a tripartite strategic cooperation agreement with Fengfei Aviation Technology and the Bank's Suzhou Branch, effectively supporting the high-quality development of the low-altitude economy; In collaboration with the Bank's Henan Provincial Branch, the company completed its first manufacturer leasing transaction in the coal machinery sector; worked with the Bank's Guangxi Regional Branch, it executed its first productive biological asset finance lease project; and concluded its first green RMB inter-bank loan with the Bank's Financial Markets Department to specifically support green data center construction. With support from the Bank's Financial Markets Department and Hong Kong Branch (Subsidiary), the company successfully issued the world's first leasing company Yulan Bond.

Bank of Communications International Trust Co., Ltd. The company was set up in October 2007 with a registered capital of 5.765 billion, of which the Bank and Hubei Provincial Communications Investment Group Co., Ltd. contributed 85% and 15% shares, respectively. The main business scope includes asset management trusts, credit asset securitization, corporate asset securitization, qualified domestic institutional investor (QDII), family trusts, insurance fund trusts, family service trusts, risk disposal service trusts, prepaid fund service trusts, public welfare and charity trusts, etc. As at the end of the Reporting Period, the total assets were 20.457 billion, the net assets were 17.660 billion and the trust assets under management of the company amounted to 730.601 billion, representing a year-on-year increase of 10.78%. The company's net profit was 809 million during the Reporting Period.

During the Reporting Period, the company fully leveraged its trust functional strengths and group synergies to deepen its focus on specialized business areas such as technology finance, green finance, and ageing finance. It established the Shanghai Sci-Tech Innovation S Fund of Funds to increase direct investment in hard technology projects, vigorously supporting technological innovation and the development of new productive forces. Through multiple channels including trust loans, bond investments, equity investments, and asset securitization, it supported green and low-carbon transformation, achieving a green finance balance of 6.991 billion. Leveraging trust capabilities, the Company implemented "Ruiyi" and "Yiyang" series retirement service trusts totaling 1.397 billion, addressing retirement client needs for wealth succession, retirement payment arrangements, and asset preservation and appreciation.

Bank of Communications Schroder Fund Management Co., Ltd. The company was set up in August 2005 with a registered capital of 200 million. It was jointly contributed by the Bank, Schroder Investment Management Limited and China International Marine Containers (Group) Co., Ltd., with the shares accounting for 65%, 30% and 5%, respectively. The primary businesses include fund raising, fund sales and asset management. As at the end of the Reporting Period, the company had total assets of 8.729 billion, and net assets of 7.554 billion, the AUM of public offering funds of 502.3 billion. During the Reporting Period, the company yielded a net profit of 765 million.

During the Reporting Period, the company firmly implemented the decisions and arrangements of the CPC Central Committee and regulatory authorities on “vigorously promoting medium and long-term funds into the capital market” and “vigorously developing equity-based public offering funds”. Based on the requirements of the Action Plan for Promoting the High-Quality Development of Public Offering Funds, taking investor needs as the foundation, the company was committed to building the core competitiveness of “controllable risks, predictable returns and long-term development”, continuously creating stable returns, effectively enhancing investors’ sense of gain, and constantly enriching the supply of products and services. The number of newly issued active equity-containing products doubled in the whole year, and the newly issued scale increased by more than 300%. The company demonstrated its responsibility in optimizing customer service and built a rich and diverse investor education and accompanying service system. Through channels such as the company’s official subscription account, video account, APP, investment advisory service account and mainstream media, it continuously outputs easy-to-understand content around themes such as pension investment and market interpretation. Meanwhile, it carried out investor education activities in various scenarios such as cooperative outlets of consignment banks and universities, developed a series of online investor education accompanying courses, enhanced communication and service reach with investors, and helped investors establish correct investment concepts. Based on its functional positioning, the company made breakthroughs in serving the Group’s sci-tech finance strategy. By customizing the Shanghai-Shenzhen-Hong Kong Sci-Tech 50 Index, the company successfully issued the Sci-Tech 50 ETF fund.

BOCOM Wealth Management Co., Ltd. As a wholly-owned subsidiary of the Bank, the company was set up in June 2019 with a registered capital of 8.0 billion. It primarily issues wealth management products of fixed income, equity, commodities, financial derivatives and hybrid categories to customers. During the Reporting Period, the company adhered to the customer-centric principles and established an open and diversified omni-channel system with the Bank as the main body. The company continuously developed a product line with low volatility, stability and strong predictability, aiming to create stable and sustainable value returns for investors. As at the end of the Reporting Period, the balance of wealth management products managed by the company increased by 8.09% from the end of the previous year to 1,748.9 billion. The company's total assets and net assets were 15.620 billion and 14.899 billion, respectively. The company's net profit during the Reporting Period was 1,571 million, representing a year-on-year increase of 17.32%.

During the Reporting Period, the company identified key growth areas for its wealth management services. By deeply integrating into the Group's strategy and strengthening synergy in products, channels, assets and other aspects, the company continuously expanded its value contribution. During the Reporting Period, the company contributed 2.3 billion in synergistic revenue to the Group, representing an 18% year-on-year increase. It continuously advanced product innovation and investment research upgrades to build core competitiveness, supporting the Group's wealth management business in achieving greater scale and strength. During the Reporting Period, the company successively won over 20 awards such as the Golden Bull Award, Golden Shell Award, Golden Wealth Management Award, and Jiepu Award. The company has conducted its "Books Bringing Light" initiative for six consecutive years and was selected as the "Seventh Annual Outstanding Brand Cases in Finance • Social Responsibility Annual Case" by China Finance magazine.

BOCOM MSIG Life Insurance Company Limited. The company was set up in January 2010 with a registered capital of 5.1 billion, of which the Bank and the MS&AD Insurance Group hold 62.50% and 37.50% shares, respectively. The business scope includes life insurance, health insurance, accident insurance and reinsurance businesses of the aforementioned insurances in Shanghai as well as regions where its branches were established. As at the end of the Reporting Period, the company's total assets and net assets were 174.559 billion and 9.879 billion, respectively. During the Reporting Period, the company based on its main business – insurance – effectively responded to market demands, positively optimize the business structure and further accelerated business transformation, and achieved a cumulative income of 2.511 billion from insurance services, representing a year-on-year increase of 13.50%. Meanwhile, operating revenue was 9.604 billion, representing an increase of 20.73% year-on-year; and net profit was 1,389 million, representing an increase of 35.82% year-on-year.

During the Reporting Period, the company leveraged its insurance expertise to actively integrate into the Group's development strategy, continuously deepening its three core business pillars: inclusive insurance, retirement planning, and wealth management. Inclusive insurance coverage reached 366,000 individuals by year-end, with the company participating in the co-insurance of the city-customized commercial medical insurance "Shanghai Huibao" for the third consecutive year. The number of outstanding pension insurance policies exceeded 71,000 by year-end, with a total outstanding value of nearly 13.75 billion. The company underwrote over 31,000 individual pension insurance policies cumulatively. The company consolidated its long-term cooperation mechanisms with banks, enhanced its premium customer service brand, strengthened professional team development, promoted sales of wealth management insurance products, and continued to leverage the wealth protection and inheritance functions of life insurance.

BOCOM Financial Asset Investment Co., Ltd. As a wholly-owned subsidiary of the Bank, it was set up in December 2017 with a registered capital of 15.0 billion. As one of the first pilot banks to implement debt-to-equity swap as determined by the State Council, it is mainly engaged in debt-to-equity swap and supporting services. As at the end of the Reporting Period, the company's total assets and net assets were 78.761 billion and 28.08 billion, respectively. During the Reporting Period, the company's net profit on the books amounted to 2,038 million.

During the Reporting Period, aligning closely with the guiding requirements of the Group's 14th Five-Year Plan, the company leveraged its equity investment capabilities to strengthen the foundation of technology-driven financial services, accelerating the development of the bank's distinctive technology-focused financial services. The focus was on key areas such as technology finance and green finance to support the healthy development of the real economy. The company continuously improved its branch coordination mechanism and deepened inter-branch collaborative marketing, establishing a sound framework of two-way interaction, horizontal communication, synchronized advancement and retreat, and coordinated development between branch-recommended projects and company-implemented projects. Simultaneously, it actively explored a business model prioritizing "regions + industries, with industry tracks taking precedence". Based on national technological industry development needs and head office policy guidance, it further focused on future key industry tracks and comprehensively enhanced investment research capabilities. The company actively enhanced its visibility in the "Shanghai home turf", increasing investment efforts. During the Reporting Period, investments in Shanghai reached a record high, consolidating the effectiveness of serving the real economy. New manufacturing equity investments totaled 8.931 billion, accounting for over 50% of the annual investment. As at the end of the Reporting Period, the company had accumulated nearly 50 registered funds as a manager, with committed capital exceeding 30 billion, further boosting the momentum for its equity investment business development.

BOCOM International Holdings Company Limited. The company was set up in June 1998 (formerly known as Communications Securities Co., Ltd. It changed its name to BOCOM International Holdings Company Limited in May 2007). It was listed on the main board of Hong Kong Stock Exchange on 19 May 2017. The main businesses include securities brokerage and margin financing, corporate financing and underwriting, asset management and consulting, investment and loan. As at the end of the Reporting Period, the Bank contributed 73.14% shares of the company. During the Reporting Period, the company further focused its main business and responsibilities, adhered its functional positioning of serving the real economy, continuously strengthened risk control, focused on “increasing revenue, reducing costs, and strengthening capabilities” and endeavored to reduce operating losses. As at the end of the Reporting Period, the company had total assets of HKD14.988 billion and net assets of HKD938 million. During the Reporting Period, the company’s loss decreased year-on-year constantly, with a net loss of HKD266 million.

China BOCOM Insurance Co., Ltd. As a wholly-owned subsidiary of the Bank, it was set up in November 2000 with a registered capital of HKD400 million. The main business includes the operation of 17 types of general insurances approved by the Insurance Authority of Hong Kong. As at the end of the Reporting Period, the company had total assets of HKD1.134 billion and net assets of HKD587 million. During the Reporting Period, the company realized a net profit of HKD8.73 million, representing a year-on-year increase of 28.79%.

The Company works closely with the Group to promote high-quality development of the principal insurance business. It actively serves the risk protection needs of Hong Kong residents in areas such as housing, travel, healthcare, and education, and continues to provide risk coverage for leading mainland semiconductor companies, certain Hong Kong public hospitals, numerous Hong Kong environmental groups and community care organizations, as well as eco-friendly hotels. In response to the sudden fire in Tai Po, Hong Kong, the company immediately activated emergency response procedures and opened a green channel for claims settlement. It actively participates in various activities organized by the Hong Kong Chinese Insurance Association and the Hong Kong Federation of Insurers, deeply discussed topics such as innovative technology, low-altitude economy, southbound travel for Guangdong vehicles, cross-border insurance, and climate risks, and actively contributes to the development of Hong Kong as an international risk management hub.

6. *Global Service Capabilities*

- ◆ The Group has formed an offshore business network covering major international financial centers and spanning five continents. During the Reporting Period, the net profit of overseas banking institutions amounted to 11.157 billion, representing a year-on-year increase of 7.39%, accounting for 11.67% of the Group's net profit. As at the end of the Reporting Period, the total assets of overseas banking institutions amounted to 1,250.986 billion, accounting for 8.05% of the Group's total assets.

(1) *Internationalization development*

The Group actively responded to changes in internal and external situations, steadily and orderly conducted operation and management, consolidated the advantages of global development, and coordinated development and security. The overseas banking institutions leveraged their geographical advantages, refined their functional positioning, built financial bridges connecting the domestic and international markets to promote high-quality Belt and Road construction and serve high-level opening-up of the nation.

(2) *Serving enterprises going global*

We actively contributed to stable foreign trade. By establishing BOCOM Shipping-Trade Through platform, we provided one-stop cross-border settlement, financing, and risk hedging services. The Bank supported the development of new foreign trade models, implementing 24 new foreign trade projects. We have innovatively optimized cross-border settlement services for Silk Road ecommerce/cross-border e-commerce platforms, enabling small and micro foreign trade merchants on e-commerce platforms to receive export receipts in both domestic and foreign currencies based on electronic transaction information. We launched the "Foreign Trade Quick Loan" online product, forming a digital service closed loop featuring "pure credit + fully automated process + automatic credit limit approval" to meet SME clients' financing and exchange rate hedging needs. We increased cross-border trade financing deployment, with financing balances as at the end of the Reporting Period up by 85.58% from the beginning of the year. During the Reporting Period, the Bank's international settlement volume reached US\$587.044 billion, a year-on-year increase of 14.55%.

The Bank supported high-quality Belt and Road cooperation. By the end of the Reporting Period, loans under the Belt and Road Initiative reached US\$17.920 billion, representing an increase of 27.94% compared to the beginning of the year. During the Reporting Period, corporate and retail foreign exchange settlement and sale volumes in minor currencies along the routes reached US\$676 million, representing an increase of 57.05% year-on-year. To address financial needs in shipping and trade scenes, BOCOM facilitated direct connectivity between its “Shipping Concierge” system and leading shipping, like COSCO, as well as major China-Europe Railway Express operators including “Zhongyu Express”, “Chang’an Express”, and the “Land-Sea New Channel” leading booking platforms. This enabled the first cross-bank, fully automated, non-stop, second-level foreign currency remittance, with transaction volume increasing by 23.70% year-on-year.

(3) *Overseas service network*

The layout of offshore service network was progressing steadily. As at the end of the Reporting Period, the Group had 24 overseas branches (subsidiary banks) and representative offices in Hong Kong, New York, London, Singapore, Tokyo, Frankfurt, Luxembourg and Sydney, etc., with 66 overseas operating outlets (excluding representative offices) providing customers with comprehensive financial services including deposits, loans, international settlements, trade finance and foreign exchange, etc. As at the end of the Reporting Period, the Bank had established an overseas service network with the head offices of 1,110 banks in 133 countries and regions, and opened 155 cross-border RMB accounts for 92 overseas RMB participating banks in 30 countries and regions. A total of 115 foreign currency clearing accounts in 29 currencies were opened in 68 banks in 32 countries and regions.

(4) *Free trade zone and cross-border RMB business*

Actively advancing the internationalization of the RMB. By continuously expanding settlement volumes, we promoted the steady development of cross-border RMB business. During the Reporting Period, domestic branches achieved a record high in cross-border RMB settlement volumes. We actively leveraged the RMB's role as an overseas financing currency, with the year-end balance of RMB loans extended by domestic institutions to overseas borrowers increasing by 93.49% as at the end of the Reporting Period, compared to the beginning of the year.

Actively Serving Free Trade Zone Development. The “Five-in-One” comprehensive financial service solution for offshore bonds in free trade zones was awarded the First Prize for Financial Innovation in Shanghai. The Hong Kong branch successfully issued the world's first publicly offered Shanghai Free Trade Zone offshore bond, attracting enthusiastic subscriptions from high-quality overseas investors in Hong Kong, the Middle East, Central America, and other regions. Supported the launch of Hainan Free Trade Port's island-wide customs clearance operation and successfully launched the Free Trade Account (FT Account) in Tianjin.

(5) *Offshore service*

The Group deepened the integrated development of offshore and onshore business and the integrated operation of non-resident accounts, and fully tapped the business potential of the Yangtze River Delta integration and the new Lingang area of the Shanghai Free Trade Zone. As at the end of the Reporting Period, the asset balance of offshore business amounted to USD13.371 billion.

(6) *Strategic cooperation with HSBC*

The two parties jointly created the “1+1” global financial service brand. Based on the smoothly operating multi-level cooperation and communication promotion mechanism, we determined the cooperation direction and fields, and promoted the continuous deepening of business cooperation in key regions and fields from top to bottom. During the Reporting Period, the Bank’s Hong Kong Branch cooperated with HSBC on 89 bond issuance projects, totaling USD48.8 billion, a year-on-year increase of 46%; the two sides cooperated on 35 syndicated loans in overseas regions. The scale of custody and fund consignment cooperation continued to increase, and the year-end custody cooperation scale between the two sides reached 124.9 billion, a year-on-year increase of 32%. Cooperation in cross-border RMB settlement, asset management and financial market businesses continued to advance. During the Reporting Period, the Bank’s Seoul Branch, as the RMB Clearing Bank in Seoul, provided RMB clearing services to HSBC Seoul Branch, with a RMB clearing volume of approximately 4.3 billion, a year-on-year increase of 63%. The Bank’s Macau Branch successfully cooperated with HSBC China to launch HSBC China’s first cross-border RMB account financing business. Under the “Resources and Experience Sharing (RES)” mechanism, the two sides carried out in-depth exchanges around key areas such as macroeconomics and the “five priorities”, fintech and AI technology, and the construction of global custodian bank networks, promoted the optimal integration of intellectual resources, and provided useful references for the operation and development of both sides.

7. *Channel Construction*

- ◆ The Bank deepened AI capability construction, comprehensively strengthening BOCOM's online channel service system from the core perspective of the customer journey, continuously building channel synergy capabilities, seamlessly embedding financial services into high-frequency life and industrial scenes such as travel, healthcare, government affairs and education, and accurately adapting to customers' differentiated financial needs.
- ◆ The Bank further advanced digital transformation, establishing a digital and intelligent operations center, integrating and strengthening the capabilities of combining online and offline operations with centralized and local operations, thereby empowering high-quality business development. As at the end of the Reporting Period, the balance of online direct sales consumer loans increased by 92.72% year-on-year, the net increase in the balance of online and offline collaborative personal business loans reached 11.802 billion, and the comprehensive disposal rate of overdue performing businesses increased by 0.8% year-on-year and the recovery amount from non-performing accounts increased by 6.6% year-on-year.

(1) *Personal mobile banking*

Holding the theme of “understanding wealth, enjoying life” and the philosophy of “Inclusive, Intelligent and Ease to use”, the Bank launched Personal Mobile Banking Ver. 10.0. AI was used to reshape the new digital and intelligent service experience, introducing the “AI Fawn Assistant” function, embedding intelligent services into high-frequency customer usage scenes. A “Cultural Tourism Zone” was launched, providing a travel plan intelligent generation tool to offer customers convenient and efficient companion services during their travels. Efficient and convenient wealth and financial service functions were developed, launching the “Flexible Cash+” zone to meet customers' flexible fund management needs. The “Cross-border Payment Connect” function was introduced, enabling zero-fee and instant credit remittances from Chinese mainland to Hong Kong. As at the end of the Reporting Period, the number of monthly active users (MAU) of Personal Mobile Banking reached 57.4071 million, an increase of 3.61% compared to the end of the previous year.

(2) *Corporate online banking and corporate mobile banking*

Guided by the construction philosophy of “Professional, Intelligent and Easy to use”, the Bank improved the specialized service capabilities of the corporate e-channel. Multiple professional versions of corporate online banking and corporate mobile banking were launched for specific customer segments, including trade connect and inter-bank and custody sectors. An intelligent assistant was introduced, enabling the application of AI agents within the corporate electronic banking channels, thereby improving customer experience and service efficiency. As at the end of the Reporting Period, the number of contracted customers of corporate online banking (bank-corporate direct link) increased by 10.19% over the end of the previous year, and the number of customers of corporate mobile banking and transaction that conducted trades within the year increased by 7.59% on a year-on-year basis; the number of contracted customers of corporate mobile banking increased by 11.03% over the end of the previous year, the annual cumulative customers of corporate mobile banking and transaction volume increased by 19.16% on a year-on-year basis.

(3) *Go Pay APP*

The Bank upgraded and released Version 10.0 of Go Pay – BOCOM’s official credit card APP, and continuously improved the platform’s user service efficiency and customer experience by strengthening intelligent service capabilities. The Bank enriched the platform’s lifestyle consumption scenes with the launch of a new Cultural Tourism Zone to meet users’ cultural tourism consumption needs. As at the end of the Reporting Period, the number of monthly active users (MAU) of Go Pay APP was 26.6402 million.

(4) *Open banking*

Expanding the service reach of open banking scenes to enhance the capability to serve the real economy. Extending scene chains in areas such as the platform economy and cross-border business, creating an integrated service solution combining “accounts + payment and settlement + financing”. Innovatively launching an open banking cross-border service solution, which was unveiled at the 8th China International Import Expo. During the Reporting Period, the amount of financing disbursed through open banking online supply chain financial services reached 350.902 billion, representing a year-on-year increase of 14.62%. Building an “Industry + Finance” cloud service ecosystem, launching five major service solutions for digital intelligent government affairs, micro and small enterprises, industrial parks, livelihood, and sci-tech innovation, with a total of 97,600 institutions signed up.

(5) *“BOCOM On-cloud”*

The Bank continuously promoted its “BOCOM On-cloud” brand and pursued innovation in the application of audio and video technologies, as well as AI technologies. By offering screen-to-screen online services, the Bank enabled the development of online institutions, employees, services, and products, breaking through the physical and temporal barriers of traditional banking business. The Bank developed an innovative model for new banking services and improved the availability of and satisfaction offered by financial services. During the Reporting Period, the BOCOM On-cloud remote video outlet provided 3.78 million services, reflecting growth of 90% from the previous year.

Deepening the construction and operation of new media channels. As at the end of the Reporting Period, the number of users of “BOCOM” WeChat Mini Program increased by 27.78% from the end of the previous year to 62.1984 million; the number of users of “BOCOM Loans” WeChat Mini Program increased by 55.18% from the end of the previous year to 13.2983 million; the number of corporate WeChat users amounted to 12.1833 million, representing an increase of 24.51% from the end of last year.

8. *FinTech and Digital Transformation*

- ◆ The Bank issued the “Artificial Intelligence+” Action Plan, and promoted the evolution of business models from traditional manual-driven to intelligent and automated in key areas such as customer service, operation management and risk control, helping to improve the quality and efficiency of development.
- ◆ During the Reporting Period, the Bank invested 12.342 billion in fintech, representing a year-on-year increase of 6.81%, accounting for 5.78% of operating revenue, up 0.32 percentage point year-on-year. As at the end of the Reporting Period, the Group had 9,782 fintech employees, representing an increase of 8.20% from the end of the previous year, and accounting for 9.99% of the Group’s total number of employees, up 0.55 percentage point from the end of the previous year.

Digital Intelligence Engine Drove High-Quality Development

The Bank adhered to the blueprint and stayed the course, and further promoted the construction of a new digital BOCOM. The “four pillars and eight beams” of digital transformation had been basically built, empowering financial services to expand coverage, improve quality and efficiency, and successfully complete the 14th Five-Year Plan for fintech.

The digital intelligence engine was fully activated, and innovation momentum accelerated to release. The Bank further promoted the “Artificial Intelligence+” initiative to empower intelligent business upgrading. The Bank improved and issued the Bank’s “Artificial Intelligence+” Action Plan (2025-2027), built a thousand-card heterogeneous computing power cluster and a hundred-billion-level large model algorithm matrix, upgraded the unified training and inference platform, built an enterprise-level knowledge platform and agent platform, provided out-of-the-box model capabilities in the way of “Model as a Service”, deployed more than 2,500 intelligent agents and assistants, and achieved positive results in retail inclusive finance, risk credit granting, operation customer service, office R&D and other fields. The Bank actively built an open and intelligent industrial ecosystem, and jointly built a national artificial intelligence application pilot base with China UnionPay, Fudan University and other institutions to help the intelligent upgrading of the financial payment industry.

Improving the overall data governance capacity and promoting the transformation of data value. The Bank strengthened standardized data governance, continuously carried out system-level data standard compliance, enriched data quality inspection rules, and improved the online management and control level of data quality. The Bank optimized the data annotation work system, built a data annotation platform, and created hundreds of high-quality artificial intelligence training data sets. The Bank increased data source expansion, actively used technologies such as privacy computing and blockchain to explore innovative applications of data circulation and sharing with external institutions, and empowered financial services and internal management to improve quality and efficiency. The Bank strengthened the construction of data visualization service capabilities, established a data asset map, promoted the intelligent transformation of management cockpit and data analysis platform, and helped the entire Bank to conveniently find, analyze and use data for intelligent decision-making.

The Bank continuously upgraded its products and services to enhance business quality and efficiency. Centering on the “five priorities” and strategic key areas, the Bank increased the supply of digital financial products and services. Online products such as “Sci-Tech Loan Easy”, “Benefit Business Loan” and “Chain Sharing Benefit Loan” were launched one after another. The proactive credit granting mode of “using data to enhance credit” further expanded coverage and volume. Key products such as BOCOM Salary Connect, Cloud Inter-bank, Treasury, BOCOM Easy Pay and BOCOM e-Supervision were iteratively innovated. The Bank deeply participated in the construction of shipping and trade digital chain, launched the BOCOM Shipping-Trade platform, supported foreign trade businesses to be handled online and on mobile, and continuously improved the convenience and availability of financial services. The “New Model of Inclusive Finance Retail Business and Ecosystem Construction” won the first prize of the 2024 PBOC Fintech Development Award. The Bank used digital means to support the comprehensive transformation of outlets and the digital operation transformation of retail business, continuously empowered business process reengineering and digital risk control construction, built digital employees and AI assistants in batches, and improved the digital intelligence level of operation and management.

The Bank continuously strengthened its digital foundation and built a solid security barrier. Its digital infrastructure became increasingly stable and resilient. Efforts to accelerate the deployment of “multi-site, multi-center” data centers were advanced, and the innovation-driven transformation of domestic core application systems was fully completed. Overseas digital transformation projects progressed steadily according to plan, while the Bank’s independent and controllable capacity continued to grow. The Group’s network and data security defenses were consistently enhanced. The Bank coordinated the development of the Group’s network security technical defense and operational systems, improved the data security management framework, and steadily advanced the construction of a unified data security protection platform. Security controls were strengthened for key scenarios, including cross-border data transmission, third-party data collaboration, and sensitive data cross-domain transmission. Group-wide data security emergency drills were conducted, and data security awareness and risk prevention capabilities were continuously improved. Business continuity support capacity was continuously enhanced, the disaster recovery system was accelerated, and real disaster recovery drills were strengthened. The Bank extended its operational capacity under extreme scenarios to seven days, and the availability of critical information systems exceeded 99.99%.

The governance system was further improved, and fintech resources were continuously strengthened. The Bank strengthened the top-level design of digital finance, dynamically improved action plans such as digital finance, established the Product Innovation Management Committee, comprehensively strengthened the management of product innovation and risk control of new products and new businesses across the Bank, and issued the Group’s unified product catalog. The reform of institutional mechanisms was further deepened, promoting the reform of data governance and application mechanisms across the Bank. Guided by the idea of “a unified chess game for the Group’s fintech”, the Bank deepened the integration of business and technology, coordination between head office and branches, and linkage between the Bank and its subsidiaries, and promoted the Group’s integrated architecture control, security control, capability reuse and resource sharing. The capacity of the talent team was continuously improved, the goal of the “10,000-person Plan for fintech” was basically achieved, and the digital capacity and level of all staff were accelerated to improve.

(III) Risk Management

The Board of Directors of the Bank established the overall risk appetite of “Stability, Balance, Compliance and Innovation” for the Bank and further set specific indicators of risk limits against various risks including credit risks, market risks, operational risks, liquidity risks, bank book interest rate risks, information technology risks and sovereign risks to exercise strict control over various risk types. During the Reporting Period, the Group consistently adhered to bottom-line thinking, integrated development and safety, strengthened its unified risk management, continued to consolidate asset quality, improved risk management in key areas, continuously enhanced its “three-dimensional integration” comprehensive risk management system comprising risk categories, institutions, and products, and engaged in effective management to promote the high-quality development of the entire bank.

1. Risk Management Framework

The Board of Directors of the Bank assumes ultimate responsibility and the highest decision-making authority in respect of risk management, and it leans the Bank’s risk conditions through the subordinate Risk Management and Related-Party Transaction Control Committee. At the senior management level, the Bank has established Total Risk Management and Internal Control Committee, and two business review committees, namely, Credit Review Committee and Risk Asset Review Committee. The business review committees are guided by and report regularly to the Total Risk Management and Internal Control Committee. Based on the aforementioned framework, every tier-1 domestic branch, overseas branch and subsidiary company has established its own Total Risk Management and Internal Control Committee, which serves as the main body for studying how to prevent and control the Group’s systematic and regional risks and support risk management decision-making on major issues. In this way, a Total Risk Management System is rolled out within the entire Group.

2. *Digital and Intelligent Transformation in Risk Management*

The Bank continued to promote the digitalization and intelligence process of risk management. Being market-oriented, customer-oriented and grassroots-oriented, the Bank focused on the current “new requirements for internal management, new situations for external supervision, and new breakthroughs in technology application”, and remained committed to building a full-process and full-coverage digital risk management system, building a solid bank-wide risk database, improving enterprise-level risk management applications, strengthening the sharing and reuse of risk control capabilities, actively exploring the application scenes of AI technology in risk management to continuously improve the effectiveness of risk management. During the Reporting Period, the Bank strengthened the supply of measurement models in strategic areas, continuously improved the construction of risk monitoring systems, optimized the risk analysis tools of inclusive retail assets and constantly improved the risk measurement and monitoring capabilities of the entire Group to support high-quality business development. The Bank continuously improved the work related to new capital regulations in accordance with regulatory requirements.

3. *Credit Risk Management*

During the Reporting Period, the Bank continued to strengthen centralized credit risk management. The Bank actively served the real economy, optimized the structure of credit assets, focused on the “five priorities” to advance high-quality development of finance. The Bank adopted the structural monetary policy tools (such as the special refinancing) to support key areas such as scientific and technological innovation, technological transformation, carbon emission reduction, service consumption and elderly care. The Bank continuously optimized the framework of its credit granting policy, proactively implemented major national strategies and regulatory requirements, closely tracked market changes, and expanded the coverage of special strategic guidance on the basis of the outline of the credit granting and risk policy, the guidelines on industry investment, and the guidelines on regional investment. The Bank continued to improve the degree of online and automation in the credit approval process, completed docking with the unified registration and publicity system for the financing of movable property in the Credit Information Centre of the PBOC, and started the promotion of online real estate mortgage registration throughout China, enabling the “cross-provincial registration” of mortgage loans in many cities across the country. The Bank implemented the “four early” risk requirements in advance for post-loan management, continuously promoted risk monitoring in key areas, and lifted digital intelligent risk control to a new level. Risk classification became more sophisticated as the asset quality remained stable.

The Bank continued intensification of the collection of non-performing assets. During the Reporting Period, the Bank focused on key areas to bring into play the professional disposal capabilities of Head Office to steadily and orderly dispose of the risk exposures in significant items, and strive to improve the quality and efficiency of non-performing assets collection and disposal. During the Reporting Period, the disposal of non-performing loans reached 73.8 billion, with an increase of 10.8% year on year.

The Bank adheres to the regulatory requirements and maintains stringent asset risk classification standards. The foundation of asset quality has been continuously strengthened and the level of asset quality remains steady. As at the end of the Reporting Period, the Group's non-performing loan balance amounted to 116.983 billion and the non-performing loan ratio was 1.28%, representing an increase of 5.306 billion and a decrease of 0.03 percentage point respectively, from the end of the previous year; and both overdue loan balance and ratio experienced an increase from the beginning of the previous year. The Group adopts prudent classification criteria for overdue loans. The 60-day+ overdue corporate loans extended by domestic branches have been all included in non-performing loans, and all the 90-day+ overdue loans have been included in non-performing loans, representing 82.60% of non-performing loans.

Distribution of loans by 5-category classification standards

(in millions of RMB unless otherwise stated)

	31 December 2025		31 December 2024		31 December 2023	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Pass	8,855,745	97.07	8,309,109	97.12	7,731,141	97.16
Special mention	150,843	1.65	134,336	1.57	120,256	1.51
Total performing loans	9,006,588	98.72	8,443,445	98.69	7,851,397	98.67
Sub-standard	27,812	0.30	31,100	0.37	28,523	0.36
Doubtful	25,075	0.27	24,066	0.28	32,383	0.41
Loss	64,096	0.71	56,511	0.66	44,782	0.56
Total non-performing loans	116,983	1.28	111,677	1.31	105,688	1.33
Total	9,123,571	100.00	8,555,122	100.00	7,957,085	100.00

Distribution of special mention loans and overdue loans by business type

(in millions of RMB unless otherwise stated)

	31 December 2025				31 December 2024			
	Special mention loan balance	Special mention loan ratio (%)	Overdue loan balance	Overdue loan ratio (%)	Special mention loan balance	Special mention loan ratio (%)	Overdue loan balance	Overdue loan ratio (%)
Corporate loans	102,948	1.70	60,245	1.00	92,705	1.67	59,266	1.06
Personal loans	47,895	1.69	72,698	2.56	41,631	1.51	58,821	2.14
Mortgage	17,338	1.20	22,734	1.58	14,266	0.97	17,535	1.20
Credit cards	22,344	4.21	27,047	5.09	22,958	4.26	28,522	5.30
Personal business loans	4,260	0.92	12,131	2.62	2,175	0.53	6,871	1.66
Personal consumption loans and others	3,953	0.99	10,786	2.70	2,232	0.67	5,893	1.77
Discounted bills	0	0.00	15	0.01	0	0.00	11	0.00
Total	150,843	1.65	132,958	1.46	134,336	1.57	118,098	1.38

Distribution of loans and non-performing loans by business type

(in millions of RMB unless otherwise stated)

	31 December 2025				31 December 2024			
	Loans	Proportion (%)	Non- performing loans	Non- performing loan ratio (%)	Loans	Proportion (%)	Non- performing loans	Non- performing loan ratio (%)
Corporate loans	6,043,810	66.25	72,150	1.19	5,566,578	65.07	81,838	1.47
Personal loans	2,835,038	31.07	44,818	1.58	2,752,406	32.17	29,827	1.08
Mortgage	1,442,452	15.81	14,584	1.01	1,466,604	17.14	8,509	0.58
Credit cards	531,348	5.82	14,222	2.68	538,404	6.29	12,590	2.34
Personal business loans	462,270	5.07	8,966	1.94	413,626	4.83	4,986	1.21
Personal consumption loans and others	398,968	4.37	7,046	1.77	333,772	3.91	3,742	1.12
Discounted bills	244,723	2.68	15	0.01	236,138	2.76	12	0.01
Total	9,123,571	100.00	116,983	1.28	8,555,122	100.00	111,677	1.31

Distribution of loans and non-performing loans by industry

(in millions of RMB unless otherwise stated)

	31 December 2025				31 December 2024			
	Loans	Proportion (%)	Non-performing loans	Non-performing loan ratio (%)	Loans	Proportion (%)	Non-performing loans	Non-performing loan ratio (%)
Corporate loans	6,043,810	66.25	72,150	1.19	5,566,578	65.07	81,838	1.47
Transportation, storage and postal services	1,040,017	11.40	3,213	0.31	985,091	11.50	3,179	0.32
Manufacturing	1,199,118	13.14	16,566	1.38	1,053,309	12.31	15,068	1.43
Leasing and commercial services	1,050,098	11.51	4,372	0.42	948,410	11.09	6,754	0.71
Real estate	515,274	5.65	21,656	4.20	527,675	6.17	25,612	4.85
Water conservancy, environmental and other public facilities	453,574	4.97	1,921	0.42	467,212	5.46	2,816	0.60
Production and supply of electric power, heat, gas and water	462,521	5.07	948	0.20	456,439	5.34	2,675	0.59
Wholesale and retail trade	364,888	4.00	10,097	2.77	289,006	3.38	8,576	2.97
Construction	221,232	2.42	2,688	1.22	210,582	2.46	2,482	1.18
Finance	182,029	2.00	31	0.02	144,878	1.69	1,081	0.75
Education, science, culture and public health	178,108	1.95	3,381	1.90	151,490	1.77	4,641	3.06
Mining	138,852	1.52	830	0.60	123,059	1.44	986	0.80
Others	77,300	0.85	575	0.74	86,090	1.01	654	0.76
Information transmission, software and information technology services	122,863	1.35	1,914	1.56	89,510	1.05	1,697	1.90
Accommodation and catering	37,936	0.42	3,958	10.43	33,827	0.40	5,617	16.61
Personal loans	2,835,038	31.07	44,818	1.58	2,752,406	32.17	29,827	1.08
Discounted bills	244,723	2.68	15	0.01	236,138	2.76	12	0.01
Total	9,123,571	100.00	116,983	1.28	8,555,122	100.00	111,677	1.31

The Group actively supported the development of the real economy, continued to optimize the credit structure, enhanced the risk control in the key areas. As at the end of the Report Period, both the NPL amount and NPL ratio declined compared with the end of the previous year.

Distribution of loans and non-performing loans by region

(in millions of RMB unless otherwise stated)

	31 December 2025				31 December 2024			
	Loans	Proportion (%)	Non-performing loans	Non-performing loan ratio (%)	Loans	Proportion (%)	Non-performing loans	Non-performing loan ratio (%)
Yangtze River Delta	2,672,097	29.29	26,826	1.00	2,432,084	28.43	24,213	1.00
Pearl River Delta	1,221,976	13.39	18,795	1.54	1,115,864	13.04	14,704	1.32
Bohai Rim Economic Zone	1,423,266	15.60	16,831	1.18	1,406,292	16.44	14,279	1.02
Central China	1,471,281	16.13	15,466	1.05	1,370,600	16.03	14,535	1.06
Western China	1,126,880	12.35	10,263	0.91	1,024,200	11.97	8,989	0.88
North Eastern China	283,061	3.10	6,178	2.18	274,860	3.21	8,902	3.24
Overseas	331,428	3.63	7,773	2.35	329,666	3.85	13,459	4.08
Head Office	593,582	6.51	14,851	2.50	601,556	7.03	12,596	2.09
Total	9,123,571	100.00	116,983	1.28	8,555,122	100.00	111,677	1.31

Note: Head Office included the Pacific Credit Card Center.

The Group implements differentiated one-policy-for-one-branch management based on regional economic traits and adjusts branches' business authority dynamically.

Overdue loans and advances

(in millions of RMB unless otherwise stated)

Overdue period	31 December 2025		31 December 2024	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 3 months	36,327	0.40	42,389	0.50
3 months to 1 year	46,441	0.51	35,685	0.42
1 to 3 years	39,371	0.43	31,131	0.36
Over 3 years	10,819	0.12	8,893	0.10
Total	132,958	1.46	118,098	1.38

As at the end of the Reporting Period, the balance of overdue loans was 132.958 billion, increasing by 14.860 billion from the end of the previous year. The overdue ratio was 1.46%, representing an increase of 0.08 percentage point from the end of the previous year. The balance of 90-day+ overdue loans was 96.631 billion, increasing by 20.922 billion from the end of the previous year.

Restructured loans

(in millions of RMB unless otherwise stated)

	31 December 2025		31 December 2024	
	Amount	Proportion (%)	Amount	Proportion (%)
Restructured loans	77,201	0.85	66,959	0.78
Including: 3-month+ overdue restructured loans	13,978	0.15	7,985	0.09

Note: Calculated pursuant to regulatory standards.

Loan migration rates

(%)	2025	2024	2023
Migration rate of pass loans	1.09	1.02	1.13
Migration rate of special mention loans	19.37	17.04	24.93
Migration rate of sub-standard loans	81.58	65.85	60.90
Migration rate of doubtful loans	63.76	66.81	65.57

Note: Calculated pursuant to regulatory standards. The data of previous periods has been retroactively adjusted.

Credit risk concentration

As at the end of the Reporting Period, the total loans to the largest single customer of the Group accounted for 3.46% of the Group's net capital, and the total loans to top 10 customers accounted for 17.15% of the Group's net capital. The information relating to the loans to the top 10 single borrowers as at the end of the Reporting Period is shown below.

(in millions of RMB unless otherwise stated)

31 December 2025			
	Industry	Amount	Percentage of total loans (%)
Customer A	Production and supply of electric power, heat, gas and water	55,000	0.60
Customer B	Leasing and commercial services	35,000	0.38
Customer C	Transportation, storage and postal services	31,641	0.35
Customer D	Production and supply of electric power, heat, gas and water	31,000	0.34
Customer E	Transportation, storage and postal services	28,826	0.32
Customer F	Real estate	22,871	0.25
Customer G	Transportation, storage and postal services	17,734	0.19
Customer H	Transportation, storage and postal services	17,117	0.19
Customer I	Production and supply of electric power, heat, gas and water	16,844	0.18
Customer J	Transportation, storage and postal services	16,603	0.18
Total of top 10 customers		272,637	2.99

4. *Market Risk Management*

Market risk refers to the risk of losses of on- and off-balance sheet business activities of the Bank arising from unfavorable changes in interest rates, exchange rates, commodity prices, share prices and other factors. Interest rate risk and exchange rate risk were the major market risks encountered by the Group.

The objective of the Group's market risk management is to proactively identify, measure, monitor, control and report market risks in accordance with the risk appetite determined by the Board of Directors; control market risks within tolerable limits through the use of methods and tools such as limit management, risk hedging and risk transfer to achieve a reasonable balance between risk and return.

According to the Administrative Measures for the Capital of Commercial Banks issued by the National Financial Regulatory Administration and its implementation requirements, for market risk capital measurement, the Group mainly uses the standards-based approach; and during the transition period, the non-bank subsidiaries and Bank of Communications (Brazil) Co., Ltd. are using the simplified standards-based approach. The measurement of market risk capital should cover default risk, general interest rate risk, credit spread risk, stock risk in the transaction book of commercial banks, all-book exchange rate risk and commodity risk. The capital measurement results are applied to limit monitoring, performance appraisal, risk monitoring and analysis, etc.

During the Reporting Period, the Group kept improving the market risk management system, enhanced management policies and procedures, optimized the risk management system, strengthened product management, optimized limit setting, and improved derivatives business risk management. The Group closely monitored financial market fluctuations; strengthened market research and judgement, and risk monitoring and warning; enhanced risk assessment and inspection; and strictly controlled various market risk limits to continuously improve market risk management.

5. *Management System for Interest Rate Risk in the Banking Book*

Interest rate risk in the banking book refers to the risk of losses in the economic value of the banking book and overall earnings arising from adverse changes in such areas as interest rate level, term structure, etc., primarily including gap risk, basis risk and option risk. The Bank attached great importance to the management of interest rate risk in the banking book, consistently adhered to a prudent and robust interest rate risk appetite, established and improved the management system for interest rate risk in the banking book, and continuously strengthened forward-looking prevention and active management. By enhancing the identification, measurement, monitoring, control and mitigation of interest rate risk in the banking book, the Bank controlled such risks within a reasonable and tolerable range, balancing business development and risk safety.

6. *Liquidity Risk Management*

Liquidity risk is the risk that occurs when the commercial bank cannot obtain sufficient funds in time and at a reasonable cost to repay debts when they are due, fulfil other payment obligations, or meet other funding needs in the normal course of business. The main factors affecting the liquidity risk include early withdrawal by deposit customers, deferred repayment by loan customers, mismatch of asset and liability structure, difficulty in asset realization, decline in financing capability, etc.

The governance structure of the Group's liquidity risk management includes a decision-making body consisting of the Board of Directors and its Special Committees, a supervisory institution consisting of the Audit Committee of the Board, and an executive institution consisting of senior management, the Finance and Management Department, the Financial Markets Department, the Risk Management Department, the Operations and Channels Management Department, the subsidiaries, branches, and the competent authorities in charge of the head office of the various businesses.

The Group determines its liquidity risk appetite and formulates its liquidity risk management strategies and policies each year based on factors such as its business strategy, business characteristics, financial strength, financing ability, overall risk appetite and market influence.

During the Reporting Period, the Group continued to improve its liquidity risk management system, and flexibly adjusted its liquidity management strategy and business development structure and tempo when appropriate; expanded diversified financing channels, and promoted the coordinated development of its asset and liability businesses, performed cash flow measurement and analysis, closely monitored liquidity risk indicators, to ensure daily liquidity safety and smooth operation of the indicators. The Group carried out liquidity risk emergency drills, to improve the response speed to emergencies and the ability to resolve liquidity risk.

The Group regularly launched stress tests for liquidity risk, in which various factors which may affect liquidity situation were given full consideration and stress scenes were appropriately set up. The results of stress tests showed that the Bank's liquidity risk was within a controllable range under various stress scenes.

As at the end of the Reporting Period, the table below shows the liquidity ratio indicator of the Group:

	Standard	31 December 2025	31 December 2024	31 December 2023
Liquidity ratios (%)	≥25	75.88	73.34	64.92

Note: Calculated according to the regulatory standard of the NFRA.

The daily average liquidity coverage ratio of the Group during the fourth quarter of 2025 was 123.02% (intra quarter daily average refers to the simple arithmetic average of daily values in the quarter, and the number of daily values on which the average value is calculated is 92), a decrease of 5.62 percentage points over the last quarter, mainly due to the increase in net cash outflows. The Group's qualified high-quality liquid assets mainly include cash, reserves deposited in the central bank that can be withdrawn under stress scenes, and bonds that meet the definition of primary and secondary assets in the Administrative Measures on Liquidity Risk of Commercial Banks.

In the fourth quarter of 2025, the quarter-end net stable funding ratio of the Group was 110.38%, representing a decrease of 1.80 percentage points from the previous quarter, mainly due to an increase in investments in qualified high-quality liquid assets. In the third quarter of 2025, the quarter-end net stable funding ratio of the Group was 112.18%, representing a decrease of 1.01 percentage points from the previous quarter, mainly due to an increase in loans (excluding residential mortgage loans) extended to individuals, non-financial institutions, sovereigns, public sector entities and policy financial institutions. For further information on the Group's liquidity coverage ratio and net stable funding ratio, please refer to the Pillar 3 Report on 31 December 2025 published on the official website of the Bank.

7. *Operational Risk Management*

For operational risk management, the Group adheres to the concept of “internal control first, compliance as the foundation”. The Group continuously optimized operational risk management system in line with regulatory requirements and the nature, scale, and product complexity of our business. Through the standardized application of management tools such as operational risk event management, self-assessment, and key risk indicators, the Group strengthened the identification, assessment, monitoring, measurement, control, mitigation, and reporting of operational risks to prevent operational risks. During the Reporting Period, the Group further revised and improved the systems related to operational risk management, optimized the functions of operational risk management system, continuously improved the outsourcing management mechanism, and strengthened business continuity management.

8. *Legal Compliance and Anti-money Laundering*

The Group established a compliance management system that is appropriate to its scale of operation, business scope and risk level, continuously strengthened its capabilities to identify, monitor, prevent, control and resolve compliance risks, enhanced the quality and efficiency of compliance management, and effectively ensured lawful and compliant operation and high-quality development. During the Reporting Period, the Group continuously improved the internal control and compliance management system, strengthened internal control and compliance supervision and inspection and rectification of problems, optimized the internal control and compliance evaluation and accountability mechanism, strengthened the support of internal control and compliance culture and talent team, deepened the digital and intelligent transformation of internal control and compliance, and continuously improved the level of internal control and compliance governance. The Group also implemented the relevant requirements of the new Anti-Money Laundering Law, cooperated in international anti-money laundering assessments, carried out reforms to deepen the anti-money laundering system and mechanism, optimized the working mechanism for anti-money laundering customer due diligence, and strengthened the Group’s integrated anti-money laundering management.

9. Reputation Risk Management

The Group implemented the Measures for Reputation risk management of Bancassurance Institutions (Trial), adhered to the management strategy of prevention first, effective disposal, timely repair and comprehensive coverage, formed a long-term mechanism of normalization construction and whole process management, focused on strengthening the measures for reputation risk management of overseas institutions, further accelerated digital transformation and empowerment, continued to prevent and resolve important public opinion events, and continuously improved the reputation risk management level of the whole group. During the Reporting Period, the reputational risk management system operated effectively, and the reputational risk was properly managed and controlled.

10. Cross-industry, Cross-border and Sovereign Risk Management

The Group has established a cross-industry and cross-border risk management system with “unified management, clear division of labor, complete tools, IT support, risk quantification and substantial consolidation”, and the risk management of its subsidiaries and offshore banks takes into account the unified requirements of the Group and the special requirements of their respective supervisory authorities, so as to prevent the risks that may arise from cross-industry and cross-border operations. During the reporting period, in response to the uncertainties brought about by changes in the external situation, the risk management of overseas institutions was strengthened, the institutional system was improved, the assessment mechanism was optimized, and various contingency plans were updated and rehearsals were intensified to ensure the smooth operation of the business. The Group strengthened work in key areas such as liquidity, business continuity and asset quality of overseas organizations. The Group strengthened consolidated management, refined the full life cycle management of subsidiaries at all levels, reinforced the transmission of the Group’s risk appetite, and promoted the further integration of risk governance and various types of risk management of subsidiaries into the Group’s unified risk management system. The Group strengthened sovereign risk management, carried out sovereign risk assessment, ratings and stress tests, paid continuous attention to and responded to country risk events in a timely manner, guided operating units to optimize their asset-liability structure in the country-specific dimension, and carried out country risk management throughout the entire process of relevant business development.

11. Management of Large Exposure Risk

The Group conscientiously implemented the requirements of the “Measures for the Management of Large Risk Exposures of Commercial Banks” of the former CBIRC, promoted the construction of the management system, continuously monitored the situation of large risk exposures, strictly implemented the management of various limits and enhanced the Group’s ability to prevent systemic and regional risks. As at the end of the Reporting Period, all indicators of the Group’s large risk exposure were in compliance with the regulatory requirements.

12. Climate and Environmental Risk Management

The Group actively supports the goal of “Carbon Peak and Carbon Neutrality”, promotes the further integration of climate and environmental risks into the total risk management system, and continuously improves the governance structure, strengthens the institutional constraints, enhances the risk assessment and optimizes the means of management and control according to the risk appetite determined by the Board of Directors, so as to effectively respond to new challenges brought about by climate change and the low-carbon transformation of the socio-economy.

During the Reporting Period, the Bank continuously improved carbon data management capabilities. The Bank established a carbon emission measurement system for investment and financing clients, and completed the latest round of carbon emission measurement for investment and financing clients through digital means. For the first time, retail assets such as housing loans and car loans were included in the measurement scope. The loan balance of invested and financed clients included in the measurement scope accounted for approximately 20.8% of the Group’s total various loans, an increase of 16.76 percentage points compared to the previous round of measurements. The Bank steadily advanced climate risk scene analysis and stress testing. The Group designed and constructed transition risk stress scenes that are in line with China’s “dual carbon” policy goals and fully aligned with internationally accepted scenes. For common natural disasters in China such as typhoons, floods and droughts, the Group constructed physical risk stress scenes by region and insured entity type. The Bank has launched the preparation of an asset portfolio transition plan, prioritizing the thermal power industry to formulate specific quantitative carbon reduction targets, and will gradually expand to other high-carbon industries such as steel, building materials, non-ferrous metals, and shipping. Training and promotion on the “dual carbon” strategy were continuously strengthened.

13. Model Risk Management

The objective of the Group’s model risk management is to maintain the effective operation of the model system in accordance with the risk appetite set by the Board of Directors, and keep the overall model risk at a low risk level. During the Reporting Period, the Bank established a model risk management system, standardized the full life cycle management of models, and improved the management procedures for model risk identification, assessment, control and reporting. The Bank established a bank-wide model inventory and implemented model classification and grading. The Bank continuously strengthened the unified management of models, enhanced the verification and review of key models, fully disclosed the limitations of models, and promoted the rational application of models. Under the unified model management, the Bank steadily promoted the development and iteration of various models, which were widely used in the whole process of corporate, inclusive, retail and other businesses, as well as in bank-wide capital measurement, impairment provisioning, stress testing, anti-money laundering and anti-telecom fraud, centralized operations, fair value valuation of financial products and other fields, supporting digital decision-making and precise measurement.

(IV) OUTLOOK

In 2026, the complexity, severity and uncertainty of the external environment will remain relatively high. However, the supporting conditions and fundamental positive trend of China's long-term economic growth will not change. The continued release of domestic demand potential and the accelerated cultivation of new quality productive forces will continuously consolidate the foundation of macroeconomic operations and enhance endogenous drivers, providing solid support and broad scope for the Bank's prudent operation and high-quality development.

2026 is the inaugural year of the national "15th Five-Year Plan", a critical year for Shanghai to advance towards a higher-level international financial center, and a pivotal year for the Group to deepen its strategic transformation and build future core competitiveness. Amid the continuous evolution of the global political and economic landscape, the solid advancement of domestic high-quality development, and the comprehensive unfolding of the blueprint for building a financial powerhouse.

The Group will adhere to the principle of seeking progress while maintaining stability and promoting stability through progress, and deeply integrate into the overall national strategy. Taking the forward-looking layout of the "15th Five-Year Plan" as a new starting point, serving the "five priorities" as the overall guide, and taking strengthening Shanghai's "home court" advantage as the focus, the Group will coordinate and advance business restructuring, technological empowerment, risk control and value returns, striving to create a new situation of high-quality development. Based on in-depth situational analysis, the Group will accurately identify strategic opportunities and effectively avoid potential risks; further clarify strategic goals, refine implementation paths and guarantee measures; optimize capital and resource allocation, and establish a more forward-looking capital and financial planning model to ensure that resource allocation tilts towards areas aligned with the national strategic direction of the "15th Five-Year Plan" and the Group's future areas of focused development.

Focus on the “five priorities”

The Bank will continuously strengthen the comprehensive “stocks, loans, debts, leases and trust” service system for technology finance. By collaborating with asset investment companies within the Group and renowned external venture capital firms, deepening innovative models such as “loan + external direct investment” and “loan + equity” to fill gaps in traditional banking services, the Bank will focus on supporting pioneering industries including integrated circuits, biomedicine, artificial intelligence, and other national strategic emerging industries.

The Bank will comprehensively benchmarked against domestic and international high standards, improving the Bank’s own environmental and social risk (ESG) management processes, and proactively disclosing green finance achievements. The Bank will ensure that the growth rate of green credit continues to be higher than the average loan growth rate of the Bank, and increase financing support for areas such as clean energy, energy storage, green transportation, and building energy efficiency and renovation.

The Bank will achieve “**volume increase, coverage expansion, quality improvement, and cost reduction**”, and deepen the digital inclusive finance model. The Bank will upgrade online financing models for micro and small enterprises, individual industrial and commercial households, and new agricultural business entities, enhance “contactless” service capabilities. The Bank will promote rural revitalization services, focus on the characteristics of Shanghai’s urban modern agriculture, and innovate financial products serving seed agriculture, smart agriculture, and rural cultural tourism.

The Bank will expand ecosystem cooperation in the ageing industry. The Bank will actively support the construction and operation of projects including affordable rental housing, retirement communities, and healthcare for the elderly. The Bank will explore pilot businesses to continuously provide financing support for the stable development of the ageing industry.

The Bank will advance its digital and intelligent transformation by embracing the “AI+” wave, reshaping the new paradigm of digital and intelligent development, and driving the transition of fintech from a supporting tool to a core productive force and innovation engine. The Bank will reshape the entire business process with AI technology, build an internal “AI + Operations” intelligent core, comprehensively upgrading intelligent risk control, and creating a digital risk management system covering the entire Group, all processes, all scenes and all products. Externally, the Bank will build an open “AI + Services” ecosystem, injecting intelligent momentum into the real economy, such as by analyzing industrial chain data through AI to provide dynamic supply chain financing and personalized inclusive financial solutions. The Bank will deeply integrate artificial intelligence into the fabric of financial services, driving the evolution of its business model towards a future bank featuring precision, adaptability and high value.

Leveraging the advantage as a Shanghai-based bank

The Bank will continue to support the construction of Shanghai's "five centers", and helped Shanghai further deepen the high-level financial opening-up. The Bank will deeply integrate into the construction of Shanghai International Financial Center, pool the strength of the entire Group, and build the characteristic advantages of cross-border finance and sci-tech finance. The Bank will give play to the innovation source and radiation-driven role of the Shanghai-based bank, and lead the Yangtze River Delta region to achieve a leap in development level. The Bank will further enhance the contribution of the Yangtze River Delta region to the entire Group, and promote the comprehensive improvement of profitability, cost control and risk management capabilities.

Continuously optimizing business layout

The Bank will optimize the layout of credit industry, serve the real economy with high quality, and increase support for new quality productive forces, implementing a strategy of "strategic entry and exit". The Bank will actively support the global expansion of enterprises by tailoring a comprehensive suite of financial products and services for cross-border businesses, including multi-currency account services, cross-border settlement, exchange rate risk management tools, and overseas financing solutions tailored to different stages of development. The Bank will enhance the contribution of its light-capital businesses, vigorously developing intermediary businesses such as wealth management, investment banking, transaction banking, asset custody, and financial market agency services, while maintaining overall stability of its net interest margin.

Continuously reinforcing risk management

Facing a complex and ever-changing internal and external environment, the Bank will build a more forward-looking, penetrating and intelligent comprehensive risk management system. The Bank will strengthen the top-level design of risk governance, continuously improve the collaborative operating mechanism of the "three lines of defence", and reinforce the supervisory duties of the Board of Directors and its Risk Management Committee. The Bank will focus on resolving risks in key areas, continuously strengthening the monitoring, investigation and resolution of risks in sectors such as real estate and local government debt, formulating response plans tailored to each specific case. The Bank will maintain adequate provisioning to ensure its risk absorption capacity consistently exceeds regulatory requirements and potential risk levels. The Bank will strictly prevent case risk and operational risk to safeguard asset security and reputational safety.

(V) MAJOR CONCERNS OF CAPITAL MARKET

1. Regarding Asset Quality of the Retail Credit

Affected by the macroeconomic environment and the downturn in the real estate market, the overall quality of domestic banking retail credit assets has been under pressure. As at the end of the Reporting Period, the non-performing loan ratio for the Bank's personal loans was 1.58%, representing an increase compared to the end of the previous year, with the trend of change generally consistent with major peers. During the Reporting Period, the Bank continuously strengthened the quality control of its retail credit assets. First, the Bank reinforced regular monitoring of retail loan asset quality, constructed a multi-dimensional asset quality monitoring system, and fully utilized various measures to provide relief and resolve temporary repayment difficulties. The Bank enhanced its capacity to dispose of non-performing loans, comprehensively utilizing write-offs, bulk transfers, securitization and other methods to clear risky loans. Second, the Bank strictly controlled the admission of new credit card customers, introduced quality external data, strengthened customer credit verification before approval and credit granting, and improved the accuracy of customer risk identification. Among customers issued new credit cards during the year, the proportion of quality customers was 95%, consistently remaining above 90%. Third, the Bank enhanced fraud risk prevention and control, continuously improving core capabilities such as the anti-fraud engine, data models, risk monitoring and strategies, and established an anti-fraud system adapted to the new risk situation. Fourth, the Bank accelerated the transformation of its collection business, deeply promoting digital empowerment and localized operational transformation, strengthening refined management of collections, and comprehensively improving operational standards. Looking ahead, the Bank will continue to strengthen business admission and customer group management, iteratively optimize admission strategies, enhance fraud risk control, improve its collection and recovery capabilities for retail credit business, and ensure effective quality control of assets.

2. *Regarding the Development of Wealth Management Business*

The supporting conditions and fundamental positive trend of China's long-term economy remain solid, placing higher demands and bringing broad opportunities for strengthening and optimizing the wealth management business.

During the Reporting Period, the Bank continuously reinforced the distinctive characteristics of its wealth management business. First, the Bank advanced the reform of the wealth management organizational structure, strengthening the coordination of the development strategy, tactics and business plans for the Bank's wealth management product and service system, thereby enhancing wealth management service capabilities. Second, the Bank promoted product innovation. Actively assisting in increasing residents' property income through multiple channels, the Bank seized opportunities presented by trends in the equity and gold markets, enriching the quality products on consignment including floating-fee funds, index funds and physical precious metals. It launched "Tun Jin Bao", an inclusive physical gold accumulation product. Third, the Bank continuously expanded customer service coverage. It carried out multiple customer asset enhancement initiatives, configured a dedicated product system and service plans, and increased the penetration rate of wealth management customers. Fourth, the Bank advanced the digital and intelligent transformation of wealth management. New features were added to the wealth management system, including AI product interpretation and AI-assisted generation of investment research views, to meet the personalized asset allocation needs of a broad customer base. As at the end of the Reporting Period, the Bank served 6.88 million customers holding wealth management products; the balance of wealth management AUM was 2.16 trillion, an increase of 10% compared to the end of the previous year.

In the next stage, the Bank will adhere to a customer-oriented approach, deeply advance its digital and intelligent transformation, improve the wealth management business model, continuously consolidate the foundational customer base for wealth management, and further enhance its six core capabilities: customer service, investment research-driven asset allocation, product management, team professionalism, technology empowerment, and risk management. The Bank will solidify and deepen collaboration within the wealth management sector between the Bank and its subsidiaries, as well as cross-border collaboration, to promote the high-quality development of its wealth management business.

3. *Regarding the Reform and Risk Resolution of Rural Banks*

In order to implement the central government's directives on the reform and risk resolution of small and medium-sized financial institutions, and to fulfil the requirements of the National Financial Regulatory Administration concerning the

“reform and risk resolution” and “volume reduction and quality improvement” of rural banks, in 2024, the Bank resolved to promote the acquisition and conversion of four rural banks controlled by the Bank into branches as an important measure to implement the reform and risk resolution. Subsequently, the Bank advanced orderly the work on asset appraisal and filing, equity acquisition and agreement signing, submission of applications for relevant administrative approvals, business and system integration, account merger and personnel placement, and the integration and preparation for opening of the converted institutions for the four rural banks.

With the approval of the relevant local regulatory authorities, Dayi Rural Bank and Laoshan Rural Bank were acquired and converted into BOCOM Chengdu Dayi Sub-branch and BOCOM Qingdao International Financial Center (IFC) Sub-branch respectively in September 2025 and commenced operations smoothly. As at the end of the Reporting Period, the Bank still held 51% equity in Anji Rural Bank and Shihezi Rural Bank. The overall operation and management of these two rural banks were stable, with business integration and employee training largely completed. With regulatory approval, Anji Rural Bank was acquired and converted into BOCOM Huzhou Anji Sub-branch in February 2026 and commenced operations. At the same time, the Bank completed the acquisition of all remaining equity in Shihezi Rural Bank and the conversion and opening of this converted institution was completed in March 2026. Looking ahead, the Bank will accelerate the integration of the newly established institutions into the BOCOM system, improve synergy effects, realize the benefits of the reform, and promote high-quality development.

4. *Regarding the Development of the Digital RMB Business*

In 2025, against the backdrop of the nation’s strategic policy progressing from “steadily advancing the research and application of digital RMB” to “stably developing digital RMB”, the digital RMB field transcended its singular positioning, ushered in critical opportunities, and achieved substantial results.

Overall Situation of the Digital RMB Business. As at the end of the Reporting Period, the Bank had cumulatively opened over 23 million personal wallets, an increase of 20.84% compared to the end of the previous year; cumulatively opened over 900,000 corporate master wallets, an increase of 26.17% compared to the beginning of the year; and achieved a cumulative transaction amount exceeding 1 trillion, an increase of 128.02% compared to the end of the previous year. The cumulative number of partner institutions connected and launched for digital RMB Tier 2.5 cooperation exceeded 100.

Latest Achievements in Digital RMB. First, breakthroughs in technological capabilities. Responding swiftly to the requirements of the People’s Bank of China’s measurement framework and interest-bearing transformation, the Bank created a highly reusable, loosely coupled system architecture based on the concept of “One BOCOM, One Customer”, integrating digital RMB into the Bank’s existing system. Second, distinctive cross-border features. As one of the first batch of participating banks in the “Multiple Central Bank Digital Currency Bridge” project, the Bank integrated the mBridge as an important channel into the automated processes of international settlement products such as T/T remittances, letters of credit, collections, and factoring. This enabled 26 domestic branches to conduct convenient cross-border settlements in RMB and HKD via the mBridge, with total transaction volume and activity consistently ranking among the top in the industry. The Bank innovatively explored the mBridge agent clearing model, providing a cross-border payment solution for digital RMB cooperative institutions, achieving zero breakthroughs in the industry. Third, innovative application of smart contracts. Based on the smart contract ecological service platform established by the Digital Currency Institute of the People’s Bank of China, the Bank has extensively applied smart contracts in areas such as supply chain financing, government procurement supervision and subsidy disbursement, fund supervision for “Yuan Guan Jia”, and blockchain cross-chain automatic settlement. Fourth, construction of an umbrella-style master-sub wallet system. By introducing licensed payment institutions already included in the digital RMB pilot scope and utilizing the online opening, sub-ledgering and aggregation functions of umbrella-style wallets, the Bank further lowered the threshold for payment institutions’ merchants to accept digital RMB. The Bank increased the application of umbrella-style wallets in various scenes, including online platforms, government service platforms, cross-border payments and Party fee payments, meeting the needs for temporary fund collection, secondary settlement, withdrawal and aggregation among different entities. Fifth, continuous brand building of the “Digital RMB Monthly Enjoyment Festival”, actively integrating online and offline platform resources and striving to create an industry benchmark. The consumption promotion activities of the Digital RMB Monthly Enjoyment Festival, started on the 16th of each month in 2025, directly advancing over 12 million digital RMB payment transactions processed by the Bank, with a transaction amount exceeding 700 million. These activities deeply tapped the potential of cultural tourism consumption, strengthened the application of digital RMB in cultural tourism consumption areas such as travel consumption, cruise resort area construction and international cruise transportation, thereby building a rich and diverse intelligent financial ecosystem.

V. OTHER INFORMATION

(I) Human Resource Management

1. *Basic Information of Employees*

As at the end of the Reporting Period, the Group had a total of 97,932 employees, among which 91,669 employees were based in domestic branches and 2,614 were local employees in overseas branches (sub-branches), and 3,649 were employees of the Bank's subsidiaries (excluding staff dispatched from the Head Office and branches to subsidiaries).

For employees in domestic branches, 24,489 employees held professional technical qualifications, of which 597 employees held senior technical qualifications, accounting for approximately 0.65%, 13,279 employees held intermediate technical qualifications, accounting for 14.49%, and 10,613 employees held junior technical qualifications, accounting for 11.58%. The number of employees with master's degree and above was 20,113, accounting for 21.94%. The number of employees with bachelor's degree was 64,171, accounting for 70.00%. The number of employees with associate's degree and below was 7,385, accounting for 8.06%.

2. *Employees' Remuneration Policy*

The Bank strictly implemented all regulatory requirements for remuneration distribution, focusing on the positive correlation between resource allocation and value creation, ensuring that the salary level is compatible with the business performance after risk adjustment, taking into account fairness and efficiency, guiding institutions to balance current and long-term risks and returns, so as to drive the high-quality development of the Bank. The Bank's remuneration program for FY2025 was formulated in compliance with the relevant laws, regulations and regulatory requirements, and strictly complied with the internal decision-making process and corporate governance procedures, and was filed with the relevant competent authorities in accordance with the regulations. During the Reporting Period, the Bank's economic, risk and social responsibility indicators were well achieved.

In accordance with reform and development requirements, the Bank improved the performance appraisal and remuneration system whereby "salary is determined by post and bonus granted upon performance". The Bank fully considered both the value creation and the principle of maintaining fairness, optimized the allocation of remuneration resources, guided and maximized the value creation of operating units, and improved its ability to pursue high-quality development. In addition, the Bank focused on responsibility, grassroots operations and performance, and was committed to offering positive incentives. In order to improve the incentive constraint mechanism and fully leverage the guiding role of remuneration in operations and management, the Bank formulated and improved the Administrative Measures on Deferred Payment, Recourse and Deduction of Remuneration for Bank of Communications Co., Ltd. The Bank also established a deferred payment, recourse and deduction system for the performance wages of senior management and personnel in key positions within the Group, and deferred payment of over 40% of their performance wages for a period of not less than three years. In subsequent years, the Bank will pursue recourse and deduct relevant amounts based on personnel's responsibility for abnormal risk exposures as well as violations of laws, regulations and disciplinary rules. During the Reporting Period, in accordance with the above Administrative Measures, the Bank recovered performance wages for the corresponding period from relevant personnel who were disciplined or held accountable.

In addition to basic social security and insurance, the Bank implements supplementary benefits for staff such as annuities, with a view to caring for the welfare of the employees.

3. *Training Management*

During the Reporting Period, the Bank earnestly implemented the five-year plans for national cadre education and training and for Party member education and training. We conducted classified and graded training to enhance political and job performance capabilities, and made every effort to cultivate a high-quality, professional financial workforce that was loyal, upright and responsible. We took the study and implementation of the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as the principal theme in cadre education and training. We organized the rotational training on the first volume of the Selected Works of Xi Jinping on Economy and the joint training for cadres at the department and bureau level of the Central Financial Work Commission, effectively implementing key training tasks designated by the CPC Central Committee. Centering on the high-quality development needs of the Bank, we carried out key training programs on advancing the “five priorities”, preventing and defusing financial risks, and promoting digital transformation, thereby enhancing the capabilities of our staff in building the nation’s financial strength. We carried out specialized training for key talents such as fintech professionals, account managers/product managers, risk managers, cross-border financial talents, and Party building talents. The Bank continued to carry out qualification certification training and conducted examinations of various business lines to ensure that personnel on duty had the necessary knowledge and acted with professionalism. In addition, the Bank fully leveraged its e-Campus network platform to hold lectures on corporate business, international business, inclusive business, retail credit, risk management, internal control compliance, credit management and other business topics, aiming to improve employees’ professional competence. The Bank promoted the standardized and systematical training for new staff throughout the Bank, encouraging new staff to quickly integrate into the Bank. During the Reporting Period, the Bank carried out more than 13,000 training sessions for cadres and employees, with a total of more than 1.08 million participants.

The Bank focused on integrating a financial culture with Chinese characteristics into its education and training system, and continuously strengthened professional ethics training and anti-corruption warning education for cadres and employees. During the in-depth study and education campaign on implementing the central Party leadership’s eight-point decision on improving conduct, the Bank enhanced education and training for key groups of trainees, including the minority executives on key positions, newly promoted executives, young executives, and those in critical positions. During the Reporting Period, by releasing typical case notifications, holding warning education conferences, and playing warning education films, the Bank educated cadres and employees to learn a lesson from these cases, resist corruption and guard against degeneration.

4. *Talent Training and Reserve*

During the Reporting Period, the Bank continued to optimize the talent development policy mechanism, and strengthened the construction of professional teams to provide a strong talent foundation for high-quality development and the digital transformation of the Bank. The Bank made every effort to promote the implementation of the Ten Thousand People Technology Engagement plan. As at the end of the Reporting Period, the Group had 9,782 fintech personnel, representing an increase of 8.20% over the end of the previous year. The Bank enhanced support for professionals in key business areas and regions, and continued to allocate recruitment resources to key areas such as the “five priorities”, fintech, retail risk control, audit and compliance, as well as in regions with large numbers of professionals such as the Yangtze River Delta, the Guangdong-Hong Kong-Macao Region and the Beijing-Tianjin-Hebei Region. The Bank promoted the “National Hundred, Thousand, and Ten Thousand Talents” key talent development initiative in a deep and solid manner. The Bank adopted multiple measures to carry out targeted training through special project exercises, on-the-job practice, mentoring and coaching, and professional training, and constantly improved the mechanism for independent talent cultivation. The Bank regularly carried out talent service team projects and continued to select talents to provide assistance to branches in remote and difficult areas, national strategic regions, and areas with operational and development difficulties.

(II) Corporate Governance Code in compliance with the Hong Kong Listing Rules

Good corporate governance is the cornerstone of the long-term healthy development of commercial banks. The Bank's vision is "constructing the bank with the best corporate governance", keeps pursuing the best practice of corporate governance. Strengthen the party's leadership while improving the corporate governance, continue to promote the organic integration of advanced party's leadership and corporate governance, improve the framework of corporate governance, speed up the establishment of a modern financial enterprise governance mechanism of "statutory rights, transparent rights, coordination and operation, and effective balances", and the scientific nature, integrity and effectiveness of corporate governance are continuously improved. During the Reporting Period, there is no difference between the Bank's corporate governance conditions and the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China as well as the normative documents and requirements relating to listed corporate governance issued by the CSRC.

The Board of Directors of the Bank confirmed that, during the year ended 31 December 2025, the Bank had complied with the principles and code provisions contained in the Corporate Governance Code of the Appendix C1 of Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "**Hong Kong Listing Rules**") at all times, and complied with the majority of the recommended best practices.

(III) Securities Transactions by Directors and Senior Management

The Bank required that the Directors and Senior Management of the Bank strictly adhere to the Management Rules for the Shares Held by Directors and Senior Managers of Listed Companies and their Changes of the CSRC and the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Hong Kong Listing Rules. Also, the Bank adopted a set of standards not less exacting than those mentioned above for the securities transactions of the Directors and Senior Management. Having made enquiries, all the Directors and Senior Management of the Bank confirmed that the securities transactions conducted by them were in compliance with the above rules during the Reporting Period.

(IV) Annual Profit Distribution

The Board of Directors proposed that based on the total share capital of 88,363,784,223 ordinary shares of the Bank as at the end of the Reporting Period, a cash dividend of RMB1.684 per 10 shares (inclusive of tax) (the “**Final Dividend**”) will be distributed to the registered shareholders of A shares and H shares of the Bank, totaling RMB14.88 billion. The Final Dividend is subject to the approval of the 2025 annual general meeting (the “**2025 AGM**”) of the Bank to be held on Friday, 26 June 2026.

The register of members for H shares of the Bank will be closed from Tuesday, 23 June 2026 to Friday, 26 June 2026 (both days inclusive), during which period no transfer of the H shares will be registered. Holders of the H shares intending to attend the 2025 AGM shall lodge all the transfer documents with official chops for H shares together with the relevant share certificates with Computershare Hong Kong Investor Services Limited, the H share registrar of the Bank, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, no later than 4:30 p.m. on Monday, 22 June 2026.

If the resolution regarding the payment of the Final Dividend is approved at the 2025 AGM, the Final Dividend is expected to be distributed on Friday, 10 July 2026 to the shareholders whose names appear on the register of members of A shares of the Bank at the close of business on Thursday, 9 July 2026, and on Friday, 14 August 2026 to the shareholders whose names appear on the register of members of H shares of the Bank at the close of business on Thursday, 9 July 2026.

The register of members for H shares of the Bank will be closed from Saturday, 4 July 2026 to Thursday, 9 July 2026 (both days inclusive). In order to be qualified to receive the Final Dividend, for holders of H shares, all transfer documents must be lodged with Computershare Hong Kong Investor Services Limited, the H share registrar of the Bank, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, no later than 4:30 p.m. on Friday, 3 July 2026.

VI. FINANCIAL REPORT

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2025

(All amounts expressed in millions of RMB unless otherwise stated)

	2025	2024
Interest income	419,447	451,712
Interest expense	(246,372)	(281,880)
Net interest income	173,075	169,832
Fee and commission income	42,713	40,918
Fee and commission expense	(4,530)	(4,004)
Net fee and commission income	38,183	36,914
Net gains/(losses) arising from trading activities	19,693	21,919
Net gains/(losses) arising from financial investments	4,563	1,949
<i>Including: Net gains on derecognition of financial assets measured at amortised cost</i>	<i>1,812</i>	<i>452</i>
Net gains/(losses) on investments in associates and joint ventures	495	514
Other operating income	29,591	29,141
Net operating income	265,600	260,269
Credit impairment losses	(54,547)	(52,567)
Other assets impairment losses	(1,895)	(1,640)
Other operating expenses	(105,395)	(102,587)
Profit before tax	103,763	103,475
Income tax	(7,249)	(9,246)
Net profit for the year	96,514	94,229

Consolidated statement of profit or loss and other comprehensive income (Continued)
For the year ended 31 December 2025

(All amounts expressed in millions of RMB unless otherwise stated)

	2025	2024
Other comprehensive income, net of tax		
Items that may be reclassified subsequently to profit or loss:		
Changes in fair value of debt instruments measured at fair value through other comprehensive income		
<i>Amount recognised in equity</i>	(4,317)	17,996
<i>Amount reclassified to profit or loss</i>	(2,154)	(1,456)
Expected credit losses of debt instruments measured at fair value through other comprehensive income		
<i>Amount recognised in equity</i>	(749)	(181)
<i>Amount reclassified to profit or loss</i>	-	-
Effective portion of gains or losses on hedging instruments in cash flow hedges		
<i>Amount recognised in equity</i>	(1,060)	946
<i>Amount reclassified to profit or loss</i>	965	(1,060)
Translation differences for foreign operations	(1,950)	976
Others	2,514	(7,647)
	<hr/>	<hr/>
Subtotal	(6,751)	9,574
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Items that will not be reclassified subsequently to profit or loss:		
Actuarial revaluation on pension benefits	2	(16)
Changes in fair value of equity investments designated at fair value through other comprehensive income	1,085	2,281
Changes in fair value attributable to changes in the credit risk of financial liability designated at fair value through profit or loss	217	(268)
Others	(136)	(168)
	<hr/>	<hr/>
Subtotal	1,168	1,829
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Consolidated statement of profit or loss and other comprehensive income (Continued)
For the year ended 31 December 2025

(All amounts expressed in millions of RMB unless otherwise stated)

	2025	2024
Other comprehensive income, net of tax	<u>(5,583)</u>	<u>11,403</u>
Total comprehensive income for the year	<u>90,931</u>	<u>105,632</u>
Net profit attributable to:		
Shareholders of the parent company	95,622	93,586
Non-controlling interests	<u>892</u>	<u>643</u>
	<u>96,514</u>	<u>94,229</u>
Total comprehensive income attributable to:		
Shareholders of the parent company	89,988	105,123
Non-controlling interests	<u>943</u>	<u>509</u>
	<u>90,931</u>	<u>105,632</u>
Basic and diluted earnings per share for profit attributable to holders of ordinary shares of the parent company (in RMB yuan)	1.08	1.16

Consolidated statement of financial position

For the year ended 31 December 2025

(All amounts expressed in millions of RMB unless otherwise stated)

	As at 31 December 2025	As at 31 December 2024
ASSETS		
Cash and balances with central banks	701,847	717,354
Due from and placements with banks and other financial institutions	881,284	974,042
Derivative financial assets	43,736	100,375
Loans and advances to customers	8,898,768	8,351,131
Financial investments at fair value through profit or loss	600,609	656,152
Financial investments at amortised cost	2,701,622	2,581,793
Financial investments at fair value through other comprehensive income	1,225,683	1,082,144
Investments in associates and joint ventures	16,897	11,601
Property and equipment	246,926	238,949
Deferred tax assets	42,198	42,752
Other assets	188,818	144,424
Total assets	15,548,388	14,900,717
LIABILITIES AND EQUITY		
LIABILITIES		
Due to and placements from banks and other financial institutions	2,477,757	2,431,451
Financial liabilities at fair value through profit or loss	47,714	50,254
Derivative financial liabilities	36,998	85,473
Deposits from customers	9,307,815	8,800,335
Certificates of deposits issued	1,403,271	1,384,372
Income tax payable	5,142	8,056
Debt securities issued	692,085	691,248
Deferred tax liabilities	3,657	4,324
Other liabilities	293,667	289,607
Total liabilities	14,268,106	13,745,120

Consolidated statement of financial position (Continued)
For the year ended 31 December 2025

(All amounts expressed in millions of RMB unless otherwise stated)

	As at 31 December 2025	As at 31 December 2024
LIABILITIES AND EQUITY (Continued)		
EQUITY		
Share capital	88,364	74,263
Other equity instruments	126,450	174,796
<i>Including: Preference shares</i>	44,952	44,952
<i>Perpetual bonds</i>	81,498	129,844
Capital surplus	215,762	111,420
Other reserves	453,084	435,562
Retained earnings	385,572	348,265
	<hr/>	<hr/>
Equity attributable to shareholders of the parent company	1,269,232	1,144,306
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Equity attributable to non-controlling interests of ordinary shares	8,350	7,706
Equity attributable to non-controlling interests of other equity instruments	2,700	3,585
	<hr/>	<hr/>
Non-controlling interests	11,050	11,291
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Total equity	1,280,282	1,155,597
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Total equity and liabilities	15,548,388	14,900,717
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Consolidated statement of changes in equity
For the year ended 31 December 2025

(All amounts expressed in millions of RMB unless otherwise stated)

	Equity attributable to shareholders of the parent company													Non-controlling interests			Total	
	Other equity instruments				Other reserves									Attributable to the shareholders of the parent company	Attributable to ordinary shares	Attributable to other equity instruments		
Share capital	Preference Share	Perpetual bonds	Capital surplus	Statutory reserve	Discretionary surplus reserve	Statutory general reserve	through other comprehensive income	Revaluation reserve for the changes in credit risk of the financial assets at fair value through profit or loss	Revaluation reserve for the changes in credit risk of the financial liabilities designated at fair value through profit or loss	Effective portion of gains or losses on hedging instruments in cash flow hedges	Translation differences for foreign operations	Actuarial changes reserve	Others				Retained earnings	
As at 1 January 2025	74,263	44,952	129,844	111,420	106,014	140,545	173,176	17,289	33	(25)	4,165	(104)	(5,531)	348,265	1,144,306	7,706	3,585	1,155,597
Total comprehensive income	-	-	-	-	-	-	-	(5,283)	217	(95)	(1,974)	2	1,499	95,622	89,988	876	67	90,931
Capital contribution by ordinary shareholders	14,101	-	-	105,839	-	-	-	-	-	-	-	-	-	-	119,940	-	-	119,940
Capital contribution and reduction by other equity instruments holders	-	-	(48,246)	(1,492)	-	-	-	-	-	-	-	-	-	(16)	(49,854)	-	(885)	(50,739)
Dividends paid to ordinary shares	-	-	-	-	-	-	-	-	-	-	-	-	-	(28,441)	(28,441)	(122)	-	(28,563)
Dividends paid to preference shares	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,832)	(1,832)	-	-	(1,832)
Interest paid to perpetual bond holders	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,870)	(4,870)	-	-	(4,870)
Interest paid to non-cumulative subordinated additional tier-1 capital securities holders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(67)	(67)
Transfer to reserves	-	-	-	-	8,640	346	14,425	-	-	-	-	-	-	(23,411)	-	-	-	-
Transfer of other comprehensive income to retained earnings	-	-	-	-	-	-	-	(248)	-	-	-	-	(7)	255	-	-	-	-
Others	-	-	-	(5)	-	-	-	-	-	-	-	-	-	-	(5)	(110)	-	(115)
As at 31 December 2025	88,364	44,952	81,498	215,762	114,654	140,891	187,601	11,758	250	(120)	2,191	(102)	(4,039)	385,572	1,269,232	8,350	2,700	1,280,282

Consolidated statement of changes in equity (Continued)
For the year ended 31 December 2024

(All amounts expressed in millions of RMB unless otherwise stated)

	Equity attributable to shareholders of the parent company													Non-controlling interests			Total	
	Other equity instruments				Other reserves									Attributable to the shareholders of the parent company	Attributable to ordinary shares	Attributable to other equity instruments		
	Share capital	Preference Share	Perpetual bonds	Capital surplus	Statutory reserve	Discretionary surplus reserve	Statutory general reserve	through other comprehensive income	Revaluation reserve for the changes in credit risk of the financial assets at fair value designated at fair value through profit or loss	Effective portion of gains or losses on hedging instruments in cash flow hedges	Translation differences for foreign operations	Actuarial changes reserve	Others					Retained earnings
As at 1 January 2024	74,263	44,952	129,838	111,428	97,227	140,399	159,053	1,277	301	84	3,214	(88)	(662)	326,744	1,088,030	7,912	3,508	1,099,450
Total comprehensive income	-	-	-	-	-	-	-	15,848	(268)	(109)	951	(16)	(4,869)	93,586	105,123	300	209	105,632
Capital contribution and reduction by other equity instruments holders	-	-	6	(8)	-	-	-	-	-	-	-	-	-	-	(2)	-	-	(2)
Dividends paid to ordinary shares	-	-	-	-	-	-	-	-	-	-	-	-	-	(41,365)	(41,365)	(177)	-	(41,542)
Dividends paid to preference shares	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,832)	(1,832)	-	-	(1,832)
Interest paid to perpetual bond holders	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,632)	(5,632)	-	-	(5,632)
Interest paid to non-cumulative subordinated additional tier-1 capital securities holders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(132)
Transfer to reserves	-	-	-	-	8,787	162	14,123	-	-	-	-	-	-	(23,072)	-	-	-	-
Transfer of other comprehensive income to retained earnings	-	-	-	-	-	-	-	164	-	-	-	-	-	(164)	-	-	-	-
Others	-	-	-	-	-	(16)	-	-	-	-	-	-	-	-	(16)	(329)	-	(345)
As at 31 December 2024	74,263	44,952	129,844	111,420	106,014	140,545	173,176	17,289	33	(25)	4,165	(104)	(5,531)	348,265	1,144,306	7,706	3,585	1,155,597

Consolidated statement of cash flows*For the year ended 31 December 2025**(All amounts expressed in millions of RMB unless otherwise stated)*

	2025	2024
Cash flows from operating activities:		
Profit before tax:	103,763	103,475
Adjustments for:		
Provision for credit impairment losses	54,547	52,567
Provision for other assets impairment losses	1,895	1,640
Depreciation and amortisation	20,013	19,372
Provision for outstanding litigations	(98)	(95)
Net gains on the disposal of property, equipment and other assets	(957)	(878)
Interest income from financial investments	(112,901)	(112,038)
Net (gains)/losses on fair value and foreign exchange	(4,920)	(934)
Net (gains)/losses on investments in associates and joint ventures	(495)	(514)
Net (gains)/losses on financial investments	(4,389)	(1,708)
Interest expense on debt securities issued	17,864	16,650
Interest expense on lease liabilities	169	179
	<hr/>	<hr/>
Operating cash flows before movements in operating assets and liabilities	74,491	77,716
Net decrease in balances with central banks	762	56,165
Net decrease/(increase) in due from and placements with banks and other financial institutions	67,492	(105,113)
Net increase in loans and advances to customers	(608,715)	(630,140)
Net decrease/(increase) in financial assets at fair value through profit or loss	66,774	(10,613)
Net increase in other assets	(45,221)	(50,728)
Net increase in due to and placements from banks and other financial institutions	36,617	12,172
Net increase/(decrease) in financial liabilities at fair value through profit or loss	9,626	(3,366)
Net increase in deposits from customers and certificates of deposits issued	540,981	579,143
Net (decrease)/increase in other liabilities	(930)	26,381
Net (decrease)/increase in value-added tax and other taxes payable	(587)	1,246
Income tax paid	(8,849)	(10,211)
	<hr/>	<hr/>
Net cash flows generated from/(used in) operating activities	132,441	(57,348)

Consolidated statement of cash flows (Continued)*For the year ended 31 December 2025**(All amounts expressed in millions of RMB unless otherwise stated)*

	2025	2024
Cash flows from investing activities:		
Cash payment for investment in subsidiaries, associated ventures and joint ventures	(4,898)	(2,169)
Cash payments for financial investments	(1,183,397)	(1,211,896)
Cash received on disposal or redemption of financial investments	925,435	1,038,694
Dividends received	1,112	757
Interest received from financial investments	111,846	113,225
Acquisition of intangible assets and other assets	(2,707)	(1,565)
Cash received from the sale of intangible assets and other assets	67	15
Acquisition of property, equipment	(40,490)	(40,610)
Cash received from disposal of property, equipment	12,560	5,805
Cash paid for other investing activities	–	(345)
Net cash flows generated from/(used in) investing activities	(180,472)	(98,089)
Cash flows from financing activities:		
Cash received from issuing ordinary shares	120,000	–
Proceeds from issue of debt securities	168,259	204,650
Proceeds from issue of other equity instruments	2,700	40,000
Repayment of principals of debt securities issued	(164,690)	(107,244)
Payment of interest on debt securities	(18,255)	(16,873)
Payment of repurchase of other equity instruments	(53,439)	(40,000)
Payment of issuance of other equity instruments	–	(2)
Repayment of principal and interest of lease liabilities	(2,328)	(2,378)
Dividends paid	(39,058)	(35,309)
Dividends paid to non-controlling interests	(91)	(324)
Cash paid for the issuance of ordinary shares	(30)	–
Cash paid for other financing activities	(116)	–
Net cash flows generated from/(used in) financing activities	12,952	42,520
Effect of exchange rate changes on cash and cash equivalents	(409)	(594)
Net changes in cash and cash equivalents	(35,488)	(113,511)
Cash and cash equivalents at the beginning of the year	161,950	275,461
Cash and cash equivalents at the end of the year	126,462	161,950
Net cash flows from operating activities include:		
Interest received	312,665	345,927
Interest paid	(232,298)	(253,112)

1 Summary of significant accounting policies

(1) Statement of compliance

These financial statements have been prepared in accordance with all applicable IFRS Accounting Standards, which collective term includes all applicable individual IFRS Accounting Standards, International Accounting Standards and Interpretations issued by the International Accounting Standards Board (the “IASB”) and the disclosure requirement of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Significant accounting policies adopted by the Group are disclosed below.

The IASB has issued certain new and revised IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2(3) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(2) Basis of preparation of the financial statements

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments and investment property which are measured at fair value.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 2(33).

The financial statements are presented in RMB, rounded to the nearest million, which is the functional currency of the Group.

(3) Changes in accounting policies

(a) Standards and amendments effective in 2025 relevant to and adopted by the Group

In the current reporting period, the Group has adopted the following amendment issued by the IASB, that are mandatorily effective for the current reporting period.

Notes

Amendments to IAS 21 Lack of exchangeability *(i)*

(i) Amendments to IAS 21: Lack of exchangeability

The amendments specify when a currency is exchangeable into another currency and when it is not, and how an entity determines a spot rate when a currency lacks exchangeability.

Under the amendments, entities are required to provide additional disclosures to help users evaluate how a currency's lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows.

The adoption of this amendment does not have a significant impact on the financial position or comprehensive income of the Group.

(b) *Standards and amendments relevant to the Group that are not yet effective in the current reporting period and have not been adopted before their effective dates by the Group*

The Group has not adopted the following new or amended standards and interpretations issued by the IASB and the International Financial Reporting Interpretations Committee, that have been issued but are not yet effective.

		Effective for annual periods beginning on or after	<i>Notes</i>
Amendments to IFRS 7 and IFRS 9	Classification and measurement of financial assets	1 January 2026	<i>(i)</i>
Amendments to IFRS 7 and IFRS 9	Contracts referencing nature-dependent electricity	1 January 2026	<i>(i)</i>
Annual improvements to IFRS Accounting Standards	Volume 11	1 January 2026	<i>(ii)</i>
IFRS 18	Presentation and disclosure in financial statements	1 January 2027	<i>(iii)</i>
IFRS 19	Subsidiaries without public accountability: Disclosures	1 January 2027	<i>(iv)</i>
Amendments to IAS 21	Translation of presentation currency in hyperinflationary economies	1 January 2027	<i>(v)</i>
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an Investor and Its associate or joint venture	The effective date has now been deferred.	<i>(vi)</i>

(i) *Amendments to IFRS 7 and IFRS 9: Classification and measurement of financial assets and Contracts referencing nature-dependent electricity*

The amendments on May 2024 concerned the requirements of classification and measurement of financial assets. The amendments include clarification on the classification of financial assets with ESG and slimier features, new requirements on settlement of financial liabilities through electronic payment system and additional disclosure requirements regarding investment in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent feature.

The amendments on December 2024 targeted contracts referencing nature-dependent electricity. The amendments include guidance on clarifying the application of the “own-use” requirements, permitting hedge accounting if these contracts are used as hedging instruments and adding new disclosure requirements for specific power purchase agreements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows.

The Group anticipates that the adoption of above amendments will not have a significant impact on the consolidated financial statements.

(ii) Annual improvements to IFRS Accounting Standards – Volume 11

On 18 July 2024, the IASB published the Annual Improvements to IFRS Accounting Standards Volume 11 which contains narrow amendments to IFRS Accounting Standards and accompanying guidance as part of its regular maintenance of the Standards.

The amended standards and guidance are:

- IFRS 1 First time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash Flows

The amendments are effective for annual periods beginning on or after 1 January 2026, with earlier application permitted.

The Group anticipates that the adoption of the amendment will not have a significant impact on the consolidated financial statements.

(iii) IFRS 18: Presentation and Disclosure in Financial Statements

On April 2024, the IASB published its new standard IFRS 18: Presentation and Disclosure in Financial Statements. The main changes in IFRS 18 compared with the previous requirements in IAS 1 comprise a more structured income statement, disclosures on management defined performance measures and enhanced aggregation and disaggregation of information etc.

The Group has not completed its assessment of the impact on the Group's consolidated financial statements of adopting IFRS 18.

(iv) IFRS 19: Subsidiaries without public accountability: Disclosures

On 9 May 2024, the IASB issued a new IFRS Accounting Standard-IFRS 19 Subsidiaries without Public Accountability: Disclosures, which allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements.

A subsidiary may elect to apply IFRS 19 in its consolidated, separate or individual financial statements provided that, at the reporting date: it does not have public accountability; and its parent produces consolidated financial statements that are available for public use under IFRS Accounting Standards.

A subsidiary applying IFRS 19 is required to clearly state in its explicit and unreserved statement of compliance with IFRS Accounting Standards that IFRS 19 has been adopted. IFRS 19 is effective for reporting periods beginning on or after 1 January 2027. Earlier application is permitted.

The Group anticipates that the adoption of the standard will not have a significant impact on the consolidated financial statements.

- (v) Amendments to IFRS 21: Translation of presentation currency in hyperinflationary economies

To reduce diversity in practice and improve the usefulness of information for investors, the International Accounting Standards Board (IASB) has amended IAS 21 The Effects of Changes in Foreign Exchange Rates to clarify that:

A company with a non-hyperinflationary functional currency uses the closing rate at the latest reporting date when translating all the financial statement amounts (including comparatives) into its presentation currency; and

A company uses the closing rate at the latest reporting date when translating all amounts (except comparatives) of a foreign operation with a non-hyperinflationary functional currency and applies the general price index to restate the comparatives.

The amendments are effective for annual periods beginning on or after 1 January 2027, and shall be applied retrospectively, with earlier application permitted.

The Group anticipates that the adoption of the amendment will not have a significant impact on the consolidated financial statements.

- (vi) Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture

The amendments address an inconsistency between IFRS 10 and IAS 28 in the sale and contribution of assets between an investor and its associate or joint venture.

A full gain or loss is recognised when a transaction involves a business. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if those assets are in a subsidiary.

The Group anticipates that the adoption of the amendment will not have a significant impact on the consolidated financial statements.

2 Net interest income

	2025	2024
Interest income		
Loans and advances to customers	269,862	298,120
Financial investments	112,901	112,038
Due from and placements with banks and other financial institutions	25,663	30,024
Balances with central banks	11,021	11,530
	<u>419,447</u>	<u>451,712</u>
Subtotal	-----419,447-----	-----451,712-----
Interest expense		
Deposits from customers	(154,720)	(178,111)
Due to and placements from banks and other financial institutions	(42,272)	(56,063)
Certificates of deposit issued	(31,516)	(31,056)
Debt securities issued	(17,864)	(16,650)
	<u>(246,372)</u>	<u>(281,880)</u>
Subtotal	-----246,372-----	-----281,880-----
Net interest income	<u>173,075</u>	<u>169,832</u>

3 Fee and commission income

	2025	2024
Bank cards business	15,298	14,826
Wealth management business	9,082	7,764
Custody and other fiduciary business	7,799	7,667
Agency services	3,858	3,502
Guarantee and commitment	3,112	3,202
Investment banking	2,064	2,316
Settlement services	1,349	1,504
Others	151	137
	<u>42,713</u>	<u>40,918</u>
Total	-----42,713-----	-----40,918-----

4 Credit impairment losses

	2025	2024
Loans and advances to customers at amortised cost	55,268	49,452
Credit related commitments and financial guarantees	733	1,139
Debt investments at FVOCI	518	401
Loans and advances to customers at FVOCI	(1,295)	256
Due from and placements with banks and other financial institutions	(1,006)	1,421
Financial investments at amortised cost	(365)	(103)
Others	694	1
Total	<u>54,547</u>	<u>52,567</u>

5 Other assets impairment losses

	2025	2024
Operating lease assets	1,800	1,409
Foreclosed assets	95	231
Total	<u>1,895</u>	<u>1,640</u>

6 Income tax

	2025	2024
Current income tax		
– Enterprise income tax	3,358	11,686
– Hong Kong profits tax	1,472	1,514
– Other countries or regions	1,046	727
Subtotal	5,876	13,927
Deferred income tax (<i>Note 24</i>)	1,373	(4,681)
Total	<u>7,249</u>	<u>9,246</u>

The provision for enterprise income tax in Chinese Mainland is calculated based on the statutory rate of 25% of the assessable income of the Bank and each of the subsidiary established in Chinese Mainland. Taxation arising in other jurisdictions (including Hong Kong) is calculated at the rates prevailing in the relevant jurisdictions, the shortfall arising from the difference between tax paid by overseas branches and the accrued tax under the regulation of Chinese Mainland shall be compensated by the head office.

In December 2021, the Organisation for Economic Co-operation and Development (OECD) published *Tax Challenges Arising from the Digitalisation of the Economy – Global Anti-Base Erosion Model Rules* (“**Pillar Two**”). Some of jurisdictions where the Group’s overseas entities are located, had implemented Pillar Two legislation during the reporting period. According to amendments to IAS 12 on Pillar Two Model Rules, the Group does not recognise deferred tax assets and liabilities related to Pillar Two and does not disclose relevant information. As at 31 December 2025, the implementation of Pillar Two has no significant impact on the Group’s condensed consolidated financial statements.

The actual taxation on the Group differs from the theoretical amount calculated using the Group’s profit before tax at the tax rate of 25%. The major reconciliation items are as follows:

	<i>Note</i>	2025	2024
Profit before tax		103,763	103,475
Tax calculated at statutory rate of 25%		25,941	25,869
Effects of different tax rates prevailing in other countries or regions		(447)	(335)
Effects of non-deductible expenses	<i>(1)</i>	7,937	9,393
Effects of non-taxable income	<i>(2)</i>	(24,937)	(24,096)
Adjustments for income tax filing of prior years		(61)	(211)
Others		(1,184)	(1,374)
Income tax		<u>7,249</u>	<u>9,246</u>

(1) Non-deductible expenses primarily represent non-deductible write-offs.

(2) Non-taxable income primarily represents interest income from PRC treasury bonds and municipal government bonds and fund investment income.

7 Basic and diluted earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to shareholders of the parent company by the weighted average number of ordinary shares in issue during the year.

	2025	2024
Net profit attributable to shareholders of the parent company	95,622	93,586
Less: Dividends paid to preference shareholders	(1,832)	(1,832)
Interest paid to perpetual bond holders	(4,870)	(5,632)
	<u>88,920</u>	<u>86,122</u>
Net profit attributable to holders of ordinary shares of the parent company	<u>88,920</u>	<u>86,122</u>
Weighted average number of ordinary shares in issue (expressed in millions) at the end of the year	82,028	74,263
Basic and diluted earnings per share (expressed in RMB per share)	1.08	1.16

For the calculation of basic earnings per share, a cash dividend of RMB1,832 million on preference shares and interests of RMB4,870 million on perpetual bond declared for the year was deducted from the amounts attributable to shareholders of the parent company. The conversion feature of preference shares may lead to the possible existence of contingently issuable ordinary shares. The triggering events of conversion did not occur for the year ended 31 December 2025, and therefore the conversion feature of preference shares has no effect on the calculation of the basic and diluted earnings per share.

8 Derivative financial instruments

A derivative is a financial instrument, the value of which changes in response to the changes in a specified foreign exchange rate, interest rate, commodity price or other similar variables. The Group utilize derivative financial instruments for trading or hedging purposes, including forwards, swaps and options.

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:

As at 31 December 2025	Notional amount	Fair values	
		Assets	Liabilities
Interest rate contracts	5,159,406	19,056	(13,029)
Foreign exchange contracts	3,974,346	24,271	(23,129)
Commodity contracts and others	76,017	409	(840)
Total amount of derivative financial instruments recognised	<u>9,209,769</u>	<u>43,736</u>	<u>(36,998)</u>
As at 31 December 2024	Notional amount	Fair values	
		Assets	Liabilities
Interest rate contracts	5,146,982	34,855	(20,498)
Foreign exchange contracts	5,556,881	63,072	(63,594)
Commodity contracts and others	150,332	2,448	(1,381)
Total amount of derivative financial instruments recognised	<u>10,854,195</u>	<u>100,375</u>	<u>(85,473)</u>

(1) Fair value hedge

The Group uses interest rate swaps to hedge against changes in fair value arising from changes in interest rates. Some purchased interest rate swap contracts are designated as hedging instruments, whose terms are identical with those of the corresponding hedged items regarding interest rate, maturity and currency. The Group uses regression analysis and critical term match to evaluate the effectiveness of hedging. With the support of testing results, the Group's management considers the hedging relationship to be highly effective. The gain and loss arising from the ineffective portion recognized in net trading gains were immaterial in 2025 and 2024.

The following table shows the fair value hedge notional amounts and fair values:

	As at 31 December 2025			As at 31 December 2024			Line items in the statement of financial position
	Notional amount	Fair values		Notional amount	Fair values		
		Assets	Liabilities		Assets	Liabilities	
Interest rate contract	<u>260,452</u>	<u>5,417</u>	<u>(1,654)</u>	<u>250,693</u>	<u>10,985</u>	<u>(720)</u>	Derivative financial assets/liabilities

The following table shows the fair value hedge notional amounts with remaining maturity of:

	Up to 1 month	1 –3 months	3 –12 months	1 –5 years	Over 5 years	Total
As at 31 December 2025	1,313	2,379	24,290	159,875	72,595	260,452
As at 31 December 2024	2,778	2,467	36,312	134,073	75,063	250,693

Information on the Group's hedged items in fair value hedges is as follows:

	As at 31 December 2025				Line items in the statement of financial position
	Carrying amount of hedged items		Accumulated adjustments to the fair value of hedged item		
	Assets	Liabilities	Assets	Liabilities	
Bonds	248,353	-	(3,955)	-	Financial investments at amortised cost/Financial investments at FVOCI
Others	8,846	(15,085)	(25)	(12)	Due from and placements with banks and other financial institutions/Loans and advances to customers/Certificates of deposits issued/Debt securities issued
Total	257,199	(15,085)	(3,980)	(12)	

	As at 31 December 2024				Line items in the statement of financial position
	Carrying amount of hedged items		Accumulated adjustments to the fair value of hedged item		
	Assets	Liabilities	Assets	Liabilities	
Bonds	225,633	-	(10,234)	-	Financial investments at amortised cost/Financial investments at FVOCI
Others	15,535	(8,816)	11	(45)	Due from and placements with banks and other financial institutions/Loans and advances to customers//Certificates of deposits issued/Debt securities issued
Total	241,168	(8,816)	(10,223)	(45)	

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

	2025	2024
Net gains or losses from fair value hedges:		
Hedging instruments	(6,102)	(1,015)
Hedged items attributable to the hedged risk	6,064	1,008
Total	(38)	(7)

(2) Cash flow hedge

The Group uses foreign exchange contracts to hedge against exposures to cash flow variability primarily resulting from foreign exchange risks and uses interest rate swaps to hedge against exposures to cash flow variability primarily resulting from interest rate risks. The hedged items include due from and placements with banks and other financial institutions, loans and advances to customers, financial investments at amortised cost, financial investments at FVOCI, debt securities issued, due to and placements from banks and other financial institutions, certificates of deposits issued, other assets and other liabilities. The Group mainly uses regression analysis and critical term match to evaluate the effectiveness of hedging. Gains and losses arising from the portion of hedge ineffectiveness recognised in cash flow hedges were not material in 2025 and 2024.

The following table shows the cash flow hedge notional amounts and fair values:

	As at 31 December 2025			As at 31 December 2024			Line items in the statement of financial position
	Notional amount	Fair values		Notional amount	Fair values		
		Assets	Liabilities		Assets	Liabilities	
Foreign exchange contract	154,700	860	(1,472)	164,199	2,465	(2,061)	Derivative financial assets/liabilities
Interest rate contract	44,052	58	(230)	32,851	291	(40)	Derivative financial assets/liabilities
Total	<u>198,752</u>	<u>918</u>	<u>(1,702)</u>	<u>197,050</u>	<u>2,756</u>	<u>(2,101)</u>	

The following table shows the cash flow hedge notional amounts with remaining maturity of:

	Up to 1 month	1 – 3 months	3 – 12 months	1 – 5 years	Over 5 years	Total
As at 31 December 2025	24,406	51,306	73,708	44,017	5,315	198,752
As at 31 December 2024	21,953	49,758	84,886	37,218	3,235	197,050

Information on the Group's hedged items in cash flow hedges is as follows:

	As at 31 December 2025		As at 31 December 2024	
	Assets	Liabilities	Assets	Liabilities
Foreign risk	83,569	(94,946)	94,963	(105,654)
Interest risk	6,365	(30,221)	650	(30,877)
Total	89,934	(125,167)	95,613	(136,531)

Information on the Group's impact on equity and profit or loss of hedged items and hedging instruments in cash flow hedges is as follows:

	2025			
	Fair value changes on hedging instruments recognised in other comprehensive income	Reclassifications from the cash flow hedge reserve to profit or loss	Line item in the statement of profit or loss including reclassifications	Cash flow hedge reserve
Foreign risk	1,427	(1,603)	Interest income, Interest expense, Net gains/(losses) arising from trading activities	168
Interest risk	15	316	Net gains/(losses) arising from trading activities	(48)
Total	1,442	(1,287)		120
	2024			
	Fair value changes on hedging instruments recognised in other comprehensive income	Reclassifications from the cash flow hedge reserve to profit or loss	Line item in the statement of profit or loss including reclassifications	Cash flow hedge reserve
Foreign risk	(1,652)	1,372	Interest income, Interest expense, Net gains/(losses) arising from trading activities	2
Interest risk	316	42	Net gains/(losses) arising from trading activities	23
Total	(1,336)	1,414		25

9 Dividends

	2025	2024
Dividends to ordinary shareholders of the Bank	28,441	41,365
Dividends to preference shareholders of the Bank	1,832	1,832
Interest to perpetual bond holders of the Bank	4,870	5,632

Under PRC Company Law and the Bank's Articles of Association, the net profit after tax as reported in the PRC statutory financial statements can only be distributed as dividends after allowances for the following:

- (1) Making up cumulative losses from prior years, if any;
- (2) Allocations to the non-distributable statutory reserve of 10% of the net profit of the Bank as determined under the relevant PRC accounting standards;
- (3) Allocations to statutory general reserve;
- (4) Allocations to the discretionary reserve upon approval by the Annual General Meeting of Shareholders. These funds form part of the shareholders' equity. The cash dividends are recognised in the consolidated statement of financial position upon approval by the shareholders at Annual General Meeting.

Pursuant to the approval by the Fourth Extraordinary Annual General Meeting of Shareholders on 12 December 2025, the Bank appropriated a cash dividend of RMB0.1563 (before tax) for each ordinary share, with total amount of RMB13,811 million, calculated based on 88,364 million shares outstanding as at 30 June 2025, will be distributed to ordinary shareholders.

Pursuant to the approval by the First Extraordinary Annual General Meeting of Shareholders on 8 April 2025, the Bank appropriated a cash dividend of RMB0.197 (before tax) for each ordinary share, with total amount of RMB14,630 million, calculated based on 74,263 million shares outstanding as at 31 December 2024, will be distributed to ordinary shareholders.

Pursuant to the approval by the Second Extraordinary Annual General Meeting of Shareholders on 27 December 2024, the Bank appropriated a cash dividend of RMB0.182 (before tax) for each ordinary share, with total amount of RMB13,516 million, calculated based on 74,263 million shares outstanding as at 30 June 2024, will be distributed to ordinary shareholders.

Pursuant to the approval by the Annual General Meeting of Shareholders on 26 June 2024, the Bank appropriated a cash dividend of RMB0.375 (before tax) for each ordinary share, with total amount of RMB27,849 million, calculated based on 74,263 million shares outstanding as at 31 December 2023, will be distributed to ordinary shareholders.

Pursuant to the approval by the Board meeting on 29 August 2025, the Bank will appropriate domestic preference dividends of RMB1,832 million with a dividend yield of 4.07%.

Pursuant to the approval by the Board meeting on 26 April 2024, the Bank will appropriate domestic preference dividends of RMB1,832 million with a dividend yield of 4.07%.

The Bank distributed the interest on the 2020 undated capital bonds in USD amounting to RMB888 million on 18 November 2025.

The Bank distributed the interest on the 2020 undated capital bonds amounting to RMB1,377 million on 25 September 2025.

The Bank distributed the interest on the 2024 undated capital bonds amounting to RMB920 million on 28 August 2025.

The Bank distributed the interest on the 2021 undated capital bonds amounting to RMB1,685 million on 10 June 2025.

The Bank distributed the interest on the 2020 undated capital bonds in USD amounting to RMB890 million on 18 November 2024.

The Bank distributed the interest on the 2020 undated capital bonds amounting to RMB1,377 million on 25 September 2024.

The Bank distributed the interest on the 2019 undated capital bonds amounting to RMB1,680 million on 20 September 2024.

The Bank distributed the interest on the 2021 undated capital bonds amounting to RMB1,685 million on 10 June 2024.

10 Contingencies

Legal proceedings

The Group has been involved as defendants in certain lawsuits arising from its normal business operations. Management of the Group believes, based on legal advice, the final result of these lawsuits will not have a material impact on the financial position or operations of the Group. Provision for litigation losses as advised by in-house or external legal professionals is disclosed in Note 31. The total outstanding claims against the Group (as defendant) by a number of third parties at the end of the year are summarised as follows:

	As at 31 December 2025	As at 31 December 2024
Outstanding litigations	1,215	1,187
Provision for outstanding litigation (<i>Note 31</i>)	296	407

Future receivables from operating leases

As the lessor, the Group mainly engages in leasing business of flight equipment and ships through its subsidiary in leases. According to the irrevocable leases contract, the minimum lease payment that the Group should receive is as follows:

	As at 31 December 2025	As at 31 December 2024
Within 1 year	22,427	21,803
After 1 year and within 2 years	21,264	20,779
After 2 years and within 3 years	19,365	19,095
After 3 years and within 4 years	17,976	17,005
After 4 years and within 5 years	15,606	15,642
After 5 years	73,196	60,418
	<hr/>	<hr/>
Total	169,834	154,742
	<hr/> <hr/>	<hr/> <hr/>

11 Commitments

Credit related commitments and financial guarantees

Credit commitments take the form of undrawn loan facilities which are approved and contracted, unutilised credit card limits, financial guarantees, letters of credit, etc. The Group assesses and makes provisions for any probable losses accordingly.

The contractual amounts of loan commitments and credit card overdraft commitments represent the cash outflows should the contracts be fully drawn upon. The amounts of guarantees and letters of credit represent the maximum potential loss that would be recognised if counterparties failed completely to perform as contracted. Acceptances comprise undertakings by the Group to pay bills of exchange drawn on customers.

The following tables provide the contractual amounts of the Group's credit related commitments and financial guarantees which the Group has committed to its customers:

	As at 31 December 2025	As at 31 December 2024
Loan commitments		
– with an original maturity within one year	10,830	7,491
– with an original maturity of one year or over	108,594	106,714
Credit card commitments	930,544	923,923
Bank acceptances	666,086	576,578
Financing guarantees	3,193	4,845
Non-financing guarantees	495,563	479,413
Sight letters of credit	35,759	37,335
Usance letters of credit	214,646	228,619
Others	6,389	6,711
	<hr/>	<hr/>
Total	2,471,604	2,371,629
	<hr/> <hr/>	<hr/> <hr/>

Capital expenditure commitments

	As at 31 December 2025	As at 31 December 2024
Contracted but not provided for	45,549	76,109
	<hr/> <hr/>	<hr/> <hr/>

Commitments on security underwriting and bond acceptance

The Group is entrusted by the Ministry of Finance ('MOF') to underwrite certain treasury bonds. The investors of these treasury bonds have a right to redeem the bonds at any time prior to maturity and the Group is committed to honor such redemption requests. The redemption price is calculated as the nominal value of the bond plus payable interest in accordance with the terms of the related early redemption arrangement.

As at 31 December 2025, the nominal value of treasury bonds the Group had the obligation to buy back amounted to RMB60,910 million (As at 31 December 2024: RMB56,437 million). Management of the Group expects the amount of redemption before the maturity dates of these bonds will not be material.

As at 31 December 2025, the Group had no announced but unfulfilled irrevocable commitment on security underwriting (As at 31 December 2024: Nil).

12 Segmental analysis

Operating segments are identified based on the structure of the Group's internal organization and management requirements. Management monitors the operating results of the Group's business units 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.

Funds are ordinarily allocated between segments. Costs of these funds are charged at the Group's cost of capital and disclosed in inter-segment net interest income. Net interest income and expense relating to third parties are disclosed in external net interest income. There are no other material items of income or expenses between the segments.

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 tax is managed on a group basis and is not allocated to operating segments.

Geographical operating segment information

The Group's Board of Directors and senior management reviews the Group's operation by the particular economic areas in which the Group's branches and subsidiaries provide products or services. The Group's geographical operating segments are decided based upon location of the assets, as the Group's branches and subsidiaries mainly serve local customers.

The Group's geographical operating segments include provincial and directly managed branches and subsidiaries (if any) in relevant regions, as follows:

- Head Office: Head Office, including the Pacific Credit Card Centre;
- Yangtze River Delta: including Shanghai (excluding Head Office), Jiangsu Province, Zhejiang Province and Anhui Province;
- Central China: including Shanxi Province, Jiangxi Province, Henan Province, Hubei Province, Hunan Province, Hainan Province and Guangxi Zhuang Autonomous Region;
- Bohai Rim Economic Zone: including Beijing, Tianjin, Hebei Province and Shandong Province;
- Pearl River Delta: including Fujian Province and Guangdong Province;
- Western China: including Chongqing, Sichuan Province, Guizhou Province, Yunnan Province, Shaanxi Province, Gansu Province, Qinghai Province, Inner Mongolia Autonomous Region, Ningxia Hui Autonomous Region, Xinjiang Uyghur Autonomous Region and Tibet Autonomous Region;
- North Eastern China: including Liaoning Province, Jilin Province and Heilongjiang Province;
- Overseas: including Hong Kong, New York, Tokyo, Singapore, Seoul, Frankfurt, Macau, Ho Chi Minh City, San Francisco, Sydney, Taipei, London, Luxembourg, Brisbane, Paris, Rome, Brazil, Melbourne, Toronto, Prague, Johannesburg and Dubai.

The geographical operating segment information of the Group is summarised as follows:

	Year ended 31 December 2025								
	Yangtze River Delta	Pearl River Delta	Bohai Rim Economic North Eastern Zone	Central China	Western China	North Eastern China	Overseas	Head Office	Total
External net interest income/ (expense)	28,021	13,423	955	18,260	18,077	(837)	15,604	79,572	173,075
Inter-segment net interest income/(expense)	24,932	6,512	25,393	9,629	640	6,305	(58)	(73,353)	-
Net interest income/(expense)	52,953	19,935	26,348	27,889	18,717	5,468	15,546	6,219	173,075
Fee and commission income	13,494	4,567	6,044	6,573	3,845	1,611	2,280	4,299	42,713
Fee and commission expense	(1,174)	(46)	(74)	(107)	(33)	(16)	(268)	(2,812)	(4,530)
Net fee and commission income	12,320	4,521	5,970	6,466	3,812	1,595	2,012	1,487	38,183
Net gains/(losses) arising from trading activities	7,254	207	252	664	111	31	1,764	9,410	19,693
Net gains/(losses) arising from financial investments	1,251	-	25	1	-	12	(146)	3,420	4,563
Share of profits/(losses) of associates and joint ventures	(5)	-	-	-	-	-	58	442	495
Other operating income	27,347	383	324	442	536	164	359	36	29,591
Total net operating income	101,120	25,046	32,919	35,462	23,176	7,270	19,593	21,014	265,600
Credit impairment (losses)/ reversal	(9,873)	(18,171)	(2,326)	(7,567)	(2,908)	667	(476)	(13,893)	(54,547)
Other assets impairment (losses)/reversal	(1,804)	(5)	(23)	(8)	(2)	(53)	-	-	(1,895)
Other operating expense	(40,246)	(7,256)	(9,794)	(10,119)	(7,259)	(3,489)	(5,644)	(21,588)	(105,395)
Profit/(loss) before tax	49,197	(386)	20,776	17,768	13,007	4,395	13,473	(14,467)	103,763
Income tax									(7,249)
Net profit for the year									96,514
Depreciation and amortisation	(1,632)	(902)	(1,091)	(1,179)	(955)	(437)	(604)	(2,789)	(9,589)
Capital expenditure	(38,030)	(228)	(401)	(440)	(1,363)	(138)	(237)	(2,075)	(42,912)

Year ended 31 December 2024

	Yangtze River Delta	Pearl River Delta	Bohai Rim Economic North Eastern Zone	Central China	Western China	North Eastern China	Overseas	Head Office	Total
External net interest income/ (expense)	21,541	12,917	8	20,506	18,631	(1,251)	14,697	82,783	169,832
Inter-segment net interest income/(expense)	<u>28,943</u>	<u>6,787</u>	<u>26,653</u>	<u>9,146</u>	<u>486</u>	<u>7,390</u>	<u>766</u>	<u>(80,171)</u>	<u>-</u>
Net interest income/(expense)	50,484	19,704	26,661	29,652	19,117	6,139	15,463	2,612	169,832
Fee and commission income	12,502	4,825	6,060	6,407	3,717	1,566	2,103	3,738	40,918
Fee and commission expense	<u>(1,350)</u>	<u>(33)</u>	<u>(80)</u>	<u>(86)</u>	<u>(22)</u>	<u>(15)</u>	<u>(196)</u>	<u>(2,222)</u>	<u>(4,004)</u>
Net fee and commission income	11,152	4,792	5,980	6,321	3,695	1,551	1,907	1,516	36,914
Net gains/(losses) arising from trading activities	6,665	347	56	633	165	(27)	1,239	12,841	21,919
Net gains/(losses) arising from financial investments	1,169	-	1	-	-	24	(551)	1,306	1,949
Share of profits/(losses) of associates and joint ventures	(44)	-	-	-	-	-	73	485	514
Other operating income	<u>25,976</u>	<u>416</u>	<u>703</u>	<u>432</u>	<u>444</u>	<u>157</u>	<u>631</u>	<u>382</u>	<u>29,141</u>
Total net operating income	95,402	25,259	33,401	37,038	23,421	7,844	18,762	19,142	260,269
Credit impairment (losses)/ reversal	(15,133)	(8,998)	(3,008)	(6,013)	(378)	1,269	(1,536)	(18,770)	(52,567)
Other assets impairment (losses)/reversal	(1,471)	(3)	(6)	(3)	(130)	(25)	(2)	-	(1,640)
Other operating expense	<u>(37,482)</u>	<u>(7,106)</u>	<u>(9,648)</u>	<u>(9,867)</u>	<u>(6,715)</u>	<u>(3,474)</u>	<u>(5,623)</u>	<u>(22,672)</u>	<u>(102,587)</u>
Profit/(loss) before tax	<u><u>41,316</u></u>	<u><u>9,152</u></u>	<u><u>20,739</u></u>	<u><u>21,155</u></u>	<u><u>16,198</u></u>	<u><u>5,614</u></u>	<u><u>11,601</u></u>	<u><u>(22,300)</u></u>	103,475
Income tax									<u>(9,246)</u>
Net profit for the year									<u><u>94,229</u></u>
Depreciation and amortisation	(1,664)	(937)	(1,148)	(1,200)	(957)	(479)	(611)	(2,916)	(9,912)
Capital expenditure	(37,433)	(313)	(299)	(538)	(759)	(248)	(198)	(2,231)	(42,019)

As at 31 December 2025

	Yangtze River Delta	Pearl River Delta	Bohai Rim Economic North Eastern Zone	Central China	Western China	North Eastern China	Overseas	Head Office	Eliminations	Total
Segment assets	3,968,445	1,306,810	2,246,843	1,702,619	1,171,064	498,569	1,215,262	5,738,464	(2,341,886)	15,506,190
Including:										
<i>Investments in associates and joint ventures</i>	2,017	-	-	50	-	-	1,316	13,514	-	16,897
Unallocated assets										42,198
Total assets										15,548,388
Segment liabilities	(3,816,087)	(1,307,289)	(2,221,674)	(1,664,184)	(1,157,905)	(497,583)	(1,091,913)	(4,849,700)	2,341,886	(14,264,449)
Unallocated liabilities										(3,657)
Total liabilities										(14,268,106)

As at 31 December 2024

	Yangtze River Delta	Pearl River Delta	Bohai Rim Economic North Eastern Zone	Central China	Western China	North Eastern China	Overseas	Head Office	Eliminations	Total
Segment assets	3,701,661	1,271,976	2,151,326	1,587,010	1,073,003	505,981	1,221,484	5,623,577	(2,278,053)	14,857,965
Including:										
<i>Investments in associates and joint ventures</i>	1,422	-	-	26	-	-	1,268	8,885	-	11,601
Unallocated assets										42,752
Total assets										14,900,717
Segment liabilities	(3,572,662)	(1,260,946)	(2,129,956)	(1,547,333)	(1,058,171)	(502,689)	(1,106,130)	(4,840,962)	2,278,053	(13,740,796)
Unallocated liabilities										(4,324)
Total liabilities										(13,745,120)

The comparative information was prepared in accordance with the categorisation of the current period since the assessment rules of the income distribution between various business segments have been adjusted.

Business information

The Group is engaged predominantly in banking and related financial activities. It comprises corporate banking, personal banking, treasury and other business. Corporate banking mainly comprises corporate loans, bills, trade financing, corporate deposits and remittance. Personal banking mainly comprises personal loans, personal deposits, credit cards and remittance. Treasury mainly comprises money market placements and takings, financial investment, and securities sold under repurchase agreements. Others business segment mainly comprises items which cannot be categorised in the above business segments.

The business information of the Group is summarised as follows:

	Year ended 31 December 2025				Total
	Corporate Banking Business	Personal Banking Business	Treasury Business	Other Business	
External net interest income/ (expense)	91,561	17,807	63,730	(23)	173,075
Inter-segment net interest income/ (expense)	2,295	47,584	(49,879)	-	-
Net interest income/(expense)	93,856	65,391	13,851	(23)	173,075
Net fee and commission income	9,729	23,170	5,145	139	38,183
Net gains/(losses) arising from trading activities	4,301	3,323	11,571	498	19,693
Net gains/(losses) arising from financial investments	136	1,116	3,235	76	4,563
Share of profits/(losses) of associates and joint ventures	25	(5)	-	475	495
Other operating income	25,015	3,739	770	67	29,591
Total net operating income	133,062	96,734	34,572	1,232	265,600
Credit impairment (losses)/reversal	(22,052)	(33,663)	1,159	9	(54,547)
Other assets impairment (losses)/reversal	(1,895)	-	-	-	(1,895)
Other operating expense					
– Depreciation and amortisation	(3,562)	(5,219)	(700)	(108)	(9,589)
– Others	(44,871)	(44,941)	(5,619)	(375)	(95,806)
Profit/(loss) before tax	60,682	12,911	29,412	758	103,763
Income tax					(7,249)
Net profit for the year					96,514
Depreciation and amortisation	(3,562)	(5,219)	(700)	(108)	(9,589)
Capital expenditure	(39,595)	(2,873)	(379)	(65)	(42,912)

	Year ended 31 December 2024				
	Corporate Banking Business	Personal Banking Business	Treasury Business	Other Business	Total
External net interest income/ (expense)	87,775	26,416	55,680	(39)	169,832
Inter-segment net interest income/ (expense)	914	46,783	(47,697)	–	–
Net interest income/(expense)	88,689	73,199	7,983	(39)	169,832
Net fee and commission income	10,080	22,669	4,009	156	36,914
Net gains/(losses) arising from trading activities	3,405	1,781	16,582	151	21,919
Net gains/(losses) arising from financial investments	71	1,058	817	3	1,949
Share of profits/(losses) of associates and joint ventures	74	(44)	–	484	514
Other operating income	24,096	3,996	817	232	29,141
Total net operating income	126,415	102,659	30,208	987	260,269
Credit impairment (losses)/reversal	(16,531)	(34,599)	(1,434)	(3)	(52,567)
Other assets impairment (losses)/reversal	(1,640)	–	–	–	(1,640)
Other operating expense					
– Depreciation and amortisation	(3,718)	(5,363)	(706)	(125)	(9,912)
– Others	(44,389)	(42,599)	(5,413)	(274)	(92,675)
Profit/(loss) before tax	60,137	20,098	22,655	585	103,475
Income tax					(9,246)
Net profit for the year					94,229
Depreciation and amortisation	(3,718)	(5,363)	(706)	(125)	(9,912)
Capital expenditure	(38,740)	(2,866)	(349)	(64)	(42,019)

	As at 31 December 2025				
	Corporate Banking Business	Personal Banking Business	Treasury Business	Other Business	Total
Segment assets	6,706,506	3,107,581	5,640,306	51,797	15,506,190
Including:					
<i>Investments in associates and joint ventures</i>	6,735	2,017	–	8,145	16,897
Unallocated assets					42,198
Total assets					15,548,388
Segment liabilities	(5,561,716)	(4,379,120)	(4,269,592)	(48,879)	(14,259,307)
Unallocated liabilities					(8,799)
Total liabilities					(14,268,106)

	As at 31 December 2024				
	Corporate Banking Business	Personal Banking Business	Treasury Business	Other Business	Total
Segment assets	6,182,816	2,989,589	5,629,611	55,949	14,857,965
Including:					
<i>Investments in associates and joint ventures</i>	4,679	1,425	–	5,497	11,601
Unallocated assets					42,752
Total assets					14,900,717
Segment liabilities	(5,376,108)	(4,046,983)	(4,259,137)	(50,512)	(13,732,740)
Unallocated liabilities					(12,380)
Total liabilities					(13,745,120)

There were no significant transactions with a single external customer that the Group mainly relied on.

The comparative information was prepared in accordance with the categorisation of the current period since the assessment rules of the income and expense distribution between various business segments have been adjusted.

13 Liquidity risk

The table below analyses the Group's assets and liabilities into relevant maturity groupings based on the remaining period at the end of balance sheet date to the contractual maturity date.

	As at 31 December 2025								
	Overdue	Undated	On Demand	Up to 1 month	1 – 3 months	3 – 12 months	1 – 5 years	Over 5 years	Total
Assets									
Cash and balances with central banks	-	638,205	63,360	-	282	-	-	-	701,847
Due from and placements with banks and other financial institutions	-	-	73,090	267,494	155,931	271,409	94,138	19,222	881,284
Derivative financial assets	-	-	-	5,208	6,348	10,907	18,271	3,002	43,736
Loans and advances to customers	47,002	-	-	517,504	536,612	2,207,225	2,452,696	3,137,729	8,898,768
Financial investments at FVTPL	256	60,545	257,084	20,951	47,833	73,025	93,172	47,743	600,609
Financial investments at amortised cost	2,362	-	-	20,632	42,377	215,264	1,157,438	1,263,549	2,701,622
Financial investments at FVOCI	13	27,622	-	43,833	45,903	161,748	678,396	268,168	1,225,683
Other assets	2,528	284,170	165,943	-	-	2,316	39,882	-	494,839
Total assets	52,161	1,010,542	559,477	875,622	835,286	2,941,894	4,533,993	4,739,413	15,548,388
Liabilities									
Due to and placements from banks and other financial institutions	-	-	(852,014)	(390,370)	(298,341)	(862,866)	(59,361)	(14,805)	(2,477,757)
Financial liabilities at FVTPL	-	(713)	(19,247)	(993)	(6,360)	(4,124)	(16,277)	-	(47,714)
Derivative financial liabilities	-	-	-	(6,057)	(6,888)	(10,627)	(11,976)	(1,450)	(36,998)
Deposits from customers	-	-	(3,060,115)	(762,583)	(911,736)	(1,949,361)	(2,623,979)	(41)	(9,307,815)
Other liabilities	-	-	(84,866)	(187,835)	(283,474)	(1,125,463)	(368,103)	(348,081)	(2,397,822)
Total liabilities	-	(713)	(4,016,242)	(1,347,838)	(1,506,799)	(3,952,441)	(3,079,696)	(364,377)	(14,268,106)
Net amount on liquidity gap	52,161	1,009,829	(3,456,765)	(472,216)	(671,513)	(1,010,547)	1,454,297	4,375,036	1,280,282

As at 31 December 2024

	Overdue	Undated	On Demand	Up to 1 month	1 – 3 months	3 – 12 months	1 – 5 years	Over 5 years	Total
Assets									
Cash and balances with central banks	-	638,978	78,121	-	255	-	-	-	717,354
Due from and placements with banks and other financial institutions	-	-	93,623	366,916	130,115	276,049	86,736	20,603	974,042
Derivative financial assets	-	-	-	14,755	18,032	31,446	26,248	9,894	100,375
Loans and advances to customers	45,872	-	-	495,567	472,377	1,934,984	2,358,186	3,044,145	8,351,131
Financial investments at FVTPL	64	76,246	255,515	24,234	52,866	115,567	92,099	39,561	656,152
Financial investments at amortised cost	866	-	-	15,969	31,385	255,440	1,126,341	1,151,792	2,581,793
Financial investments at FVOCI	51	17,523	-	18,993	42,452	119,591	538,425	345,109	1,082,144
Other assets	2,345	270,738	121,891	-	-	5,268	37,484	-	437,726
Total assets	49,198	1,003,485	549,150	936,434	747,482	2,738,345	4,265,519	4,611,104	14,900,717
Liabilities									
Due to and placements from banks and other financial institutions	-	-	(847,347)	(636,263)	(422,021)	(441,503)	(71,322)	(12,995)	(2,431,451)
Financial liabilities at FVTPL	-	(606)	(9,094)	(721)	(4,925)	(19,573)	(15,335)	-	(50,254)
Derivative financial liabilities	-	-	-	(14,660)	(19,381)	(30,633)	(18,996)	(1,803)	(85,473)
Deposits from customers	-	-	(3,125,459)	(614,315)	(809,216)	(1,513,958)	(2,710,169)	(27,218)	(8,800,335)
Other liabilities	-	-	(90,458)	(139,199)	(304,696)	(1,116,700)	(364,000)	(362,554)	(2,377,607)
Total liabilities	-	(606)	(4,072,358)	(1,405,158)	(1,560,239)	(3,122,367)	(3,179,822)	(404,570)	(13,745,120)
Net amount on liquidity gap	<u>49,198</u>	<u>1,002,879</u>	<u>(3,523,208)</u>	<u>(468,724)</u>	<u>(812,757)</u>	<u>(384,022)</u>	<u>1,085,697</u>	<u>4,206,534</u>	<u>1,155,597</u>

14 Non-adjusting events after reporting period

Profit distribution after reporting period

On 27 March 2026, the Board of Directors of the Bank proposed to appropriate RMB8,077 million to the statutory reserve and RMB11,327 million to the statutory general reserve in 2026. A cash dividend of RMB0.1684 (before tax) for each share, totaling RMB14,880 million, calculated based on the total number of shares outstanding of 88,364 million shares (RMB1 per share) as at 31 December 2025 was also proposed. The proposal will be subject to the approval by the General Meeting of Shareholders.

VII. PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement will be simultaneously published on the “HKEXnews” website of the Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Bank at www.bankcomm.com. This results announcement is extracted from the 2025 Annual Report prepared in accordance with the IFRSs. The full report will be published on the “HKEXnews” website of the Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Bank at www.bankcomm.com for the reference of shareholders and investors. The 2025 Annual Report, which is prepared in accordance with China Accounting Standard, will be available on the website of the Shanghai Stock Exchange at www.sse.com.cn and the website of the Bank at www.bankcomm.com. Investors should read the full annual report for details of annual results announcement. The 2025 Annual Report, which is prepared in accordance with the IFRSs, is expected to be dispatched to the shareholders of H shares in April 2026.

The announcement is prepared in both Chinese and English. Should there be any inconsistency between the Chinese and English versions, the Chinese version should prevail.

By order of the Board of
Bank of Communications Co., Ltd.
Ren Deqi
Chairman of the Board

Shanghai, the PRC
27 March 2026

As at the date of this announcement, the directors of the Bank are Mr. Ren Deqi, Mr. Zhang Baojiang, Mr. Yin Jiuyong, Mr. Zhou Wanfu, Mr. Chang Baosheng, Mr. Liao, Yi Chien David*, Mr. Chan Siu Chung*, Mr. Mu Guoxin*, Mr. Ai Dong*, Mr. Zhang Xiangdong#, Ms. Li Xiaohui#, Mr. Ma Jun#, Mr. Wong Tin Chak#, Mr. Xiao Wei# and Ms. Liu Ruixia#.*

* *Non-executive directors*

Independent non-executive directors