



Integrity and Innovation Stability and Sustainability

2025 Annual Report

China Construction Bank Corporation

IMPORTANT NOTICE

The Board, directors and senior management of the Bank warrant that the information in this annual report is truthful, accurate and complete and contains no false records, misleading statements or material omissions, and they assume several and joint legal liability for such contents.

This annual report and results announcement have been reviewed and approved at the Board meeting of the Bank held on 27 March 2026. A total of 12 directors attended the Board meeting. Due to official business, Mr. Zhang Yi appointed Mr. Ji Zhihong as his proxy to attend and vote on his behalf, and Mr. Shi Jian appointed Ms. Xin Xiaodai as his proxy to attend and vote on his behalf.

The Board proposes a final cash dividend of RMB2.029 per ten shares (including tax) for 2025 to all ordinary shareholders, with cash dividends totalling approximately RMB53,079 million. As approved by the second extraordinary shareholders' meeting of 2025, the Bank distributed the 2025 interim cash dividend of RMB1.858 per ten shares (including tax), with cash dividends totalling approximately RMB48,605 million, to all shareholders whose names appeared on the register of members after the close of market on 10 December 2025. The cash dividend per ten shares (including tax) for 2025 will be RMB3.887, with cash dividends for the year totalling approximately RMB101,684 million. The 2025 profit distribution plan will be submitted to the annual shareholders' meeting of 2025 for approval. The Bank does not propose any capitalisation of capital reserve into share capital.

The financial statements of the Group prepared in accordance with PRC GAAP for the year of 2025 have been audited by Ernst & Young Hua Ming LLP, and the financial statements of the Group prepared in accordance with IFRS for the year of 2025 have been audited by Ernst & Young. Both auditors have provided audit report with unqualified audit opinion.

Mr. Zhang Jinliang, chairman and executive director of the Bank, Mr. Zhang Yi, vice chairman, executive director, and president of the Bank, and Mr. Yin Pengfei, head of finance & accounting department, hereby warrant the truthfulness, accuracy and completeness of the financial statements in this annual report.

We have included in this report certain forward-looking statements with respect to our financial position, operating results and business development. These statements are based on current plans, estimates and projections. Although we believe that the expectations reflected in these forward-looking statements are reasonable, these statements do not constitute a substantive commitment to investors. Please be fully aware of the risks and understand the differences between plans, projections and commitments.

The main risks faced by the Group are credit risk, market risk, interest rate risk in the banking book, operational risk, liquidity risk, reputational risk, country risk, IT risk and strategic risk. We take proactive measures to manage various risks effectively. For more information, please refer to "Management Discussion and Analysis – Risk Management".

This report is prepared in both Chinese and English. In the case of discrepancy between the two versions, the Chinese version shall prevail.

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DEFINITIONS

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

Abbreviations of organisations

State Council	State Council of the People's Republic of China
PBOC	The People's Bank of China
NFRA	National Financial Regulatory Administration
Former CBIRC	Former China Banking and Insurance Regulatory Commission, predecessor of the NFRA
CSRC	China Securities Regulatory Commission
SAFE	State Administration of Foreign Exchange
SSE	Shanghai Stock Exchange
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
Huijin	Central Huijin Investment Ltd.
MOF	Ministry of Finance of the People's Republic of China
China Great Wall AMC	China Great Wall Asset Management Co. Ltd.
State Grid	State Grid Corporation of China
Yangtze Power	China Yangtze Power Co., Limited
Baowu Steel Group	China Baowu Steel Group Corporation Limited
ABC	Agricultural Bank of China Limited
BOC	Bank of China Limited
Bank	China Construction Bank Corporation
Group or CCB	China Construction Bank Corporation and its subsidiaries
Board	Board of directors
CCB Asia	China Construction Bank (Asia) Corporation Limited
CCB Consulting	CCB Engineering Consulting Co., Ltd.
CCB Consumer Finance	CCB Consumer Finance Co., Ltd.
CCB Europe	China Construction Bank (Europe) S.A.
CCB Financial Leasing	CCB Financial Leasing Co., Ltd.
CCB FinTech	CCB FinTech Co., Ltd.
CCB Futures	CCB Futures Co., Ltd.
CCB Housing	CCB Housing Services Co., Ltd.
CCB Housing Rental	CCB Housing Rental Private Fund Management Co., Ltd.
CCB Housing Rental Fund	CCB Housing Rental Fund (Limited Partnership)
CCB Indonesia	PT Bank China Construction Bank Indonesia Tbk
CCB International	CCB International (Holdings) Limited
CCB Investment	CCB Financial Asset Investment Co., Ltd.
CCB Life	CCB Life Insurance Co., Ltd.
CCB Malaysia	China Construction Bank (Malaysia) Berhad
CCB New Zealand	China Construction Bank (New Zealand) Limited
CCB Pension	CCB Pension Management Co., Ltd.
CCB Principal Asset Management	CCB Principal Asset Management Co., Ltd.
CCB Private Equity	CCB Private Equity Investment Management Co., Ltd.

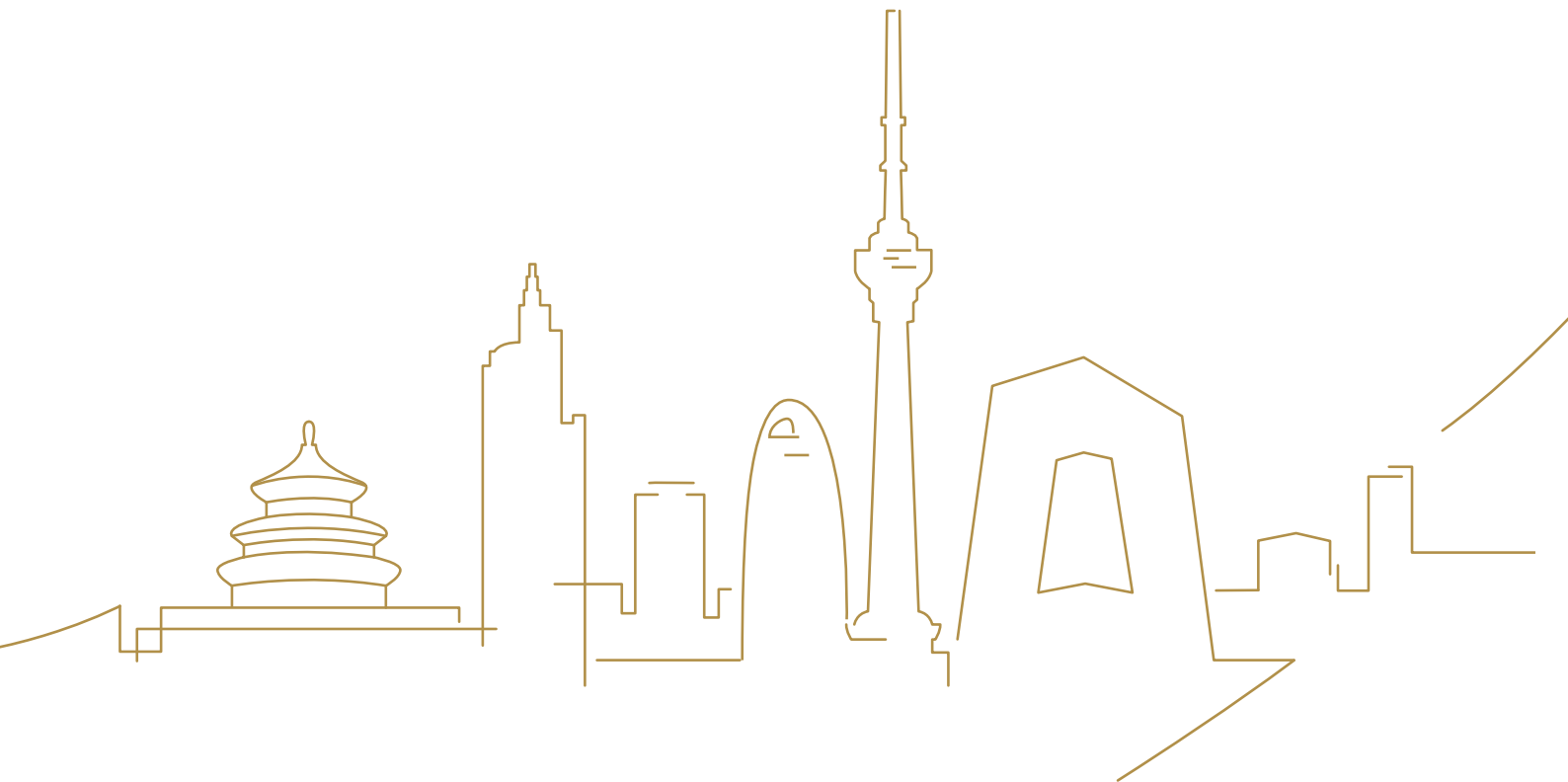


DEFINITIONS

CCB P&C Insurance	CCB Property & Casualty Insurance Co., Ltd.
CCB Russia	China Construction Bank (Russia) Limited
CCB Trust	CCB Trust Co., Ltd.
CCB Wealth Management	CCB Wealth Management Co., Ltd.
Sino-German Bausparkasse	Sino-German Bausparkasse Co., Ltd.
Others	
New quality productive forces	New quality productive forces represent an advanced form of productivity characterised by innovation-driven development, breaking away from traditional economic growth models and conventional productivity development paths. They embody high technology, high efficiency, and high quality, aligning with the new development philosophy. Emerging from revolutionary technological breakthroughs, innovative allocation of production factors, and deep industrial transformation and upgrading, new quality productive forces fundamentally entail the elevation of labourers, means of labour, and objects of labour through optimised combinations. Their core hallmark is the substantial improvement in total factor productivity, with innovation as their defining feature, high quality as their critical attribute, and advanced productivity as their essential nature
"Five Priorities" in finance	Technology finance, green finance, inclusive finance, pension finance and digital finance
Three Capabilities	Capabilities in serving national construction, preventing financial risks, and participating in international competition
Two Key Tasks	Implementation of major national strategies and enhancement of security capacity in key areas
Two Renewals	The new round of large-scale equipment renewal and trade-ins of consumer goods
RCEP	Regional Comprehensive Economic Partnership
Three lines of defence	The first line of defence refers to business operation and management departments, the second line of defence refers to risk management department and internal control & compliance department, and the third line of defence refers to internal audit department
Binary Stars	Mobile banking + "CCB Lifestyle"
CCB Huidongni	An integrated ecological service platform built by the Bank for inclusive finance customers by using the Internet, big data, artificial intelligence (AI) and biometric technologies
Yunong Loan	A loan product package provided by the Bank for agriculture-related proprietors, farmers mainly, which includes "Yunong Quick Loan" and "Yunong Loan"
Yunongtong	The Bank's comprehensive financial service platform to support rural revitalisation through offline service sites, online app and WeChat ecology
Listing Rules of Hong Kong Stock Exchange	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
PRC GAAP	<i>Accounting Standards for Business Enterprises</i> and other relevant requirements promulgated by the MOF on 15 February 2006 and afterwards
New Insurance Contracts Standard	<i>IFRS 17 Insurance Contracts</i> issued by International Accounting Standards Board, which came into effect on 1 January 2023
New Financial Instruments Standard	<i>International Financial Reporting Standard No. 9 – Financial Instruments</i> issued by International Accounting Standards Board, which came into effect on 1 January 2018
IFRS	International Financial Reporting Standards
AML	Anti-money laundering
ESG	Environmental, Social and Governance
FLM	Financial large model
WMPs	Wealth management products



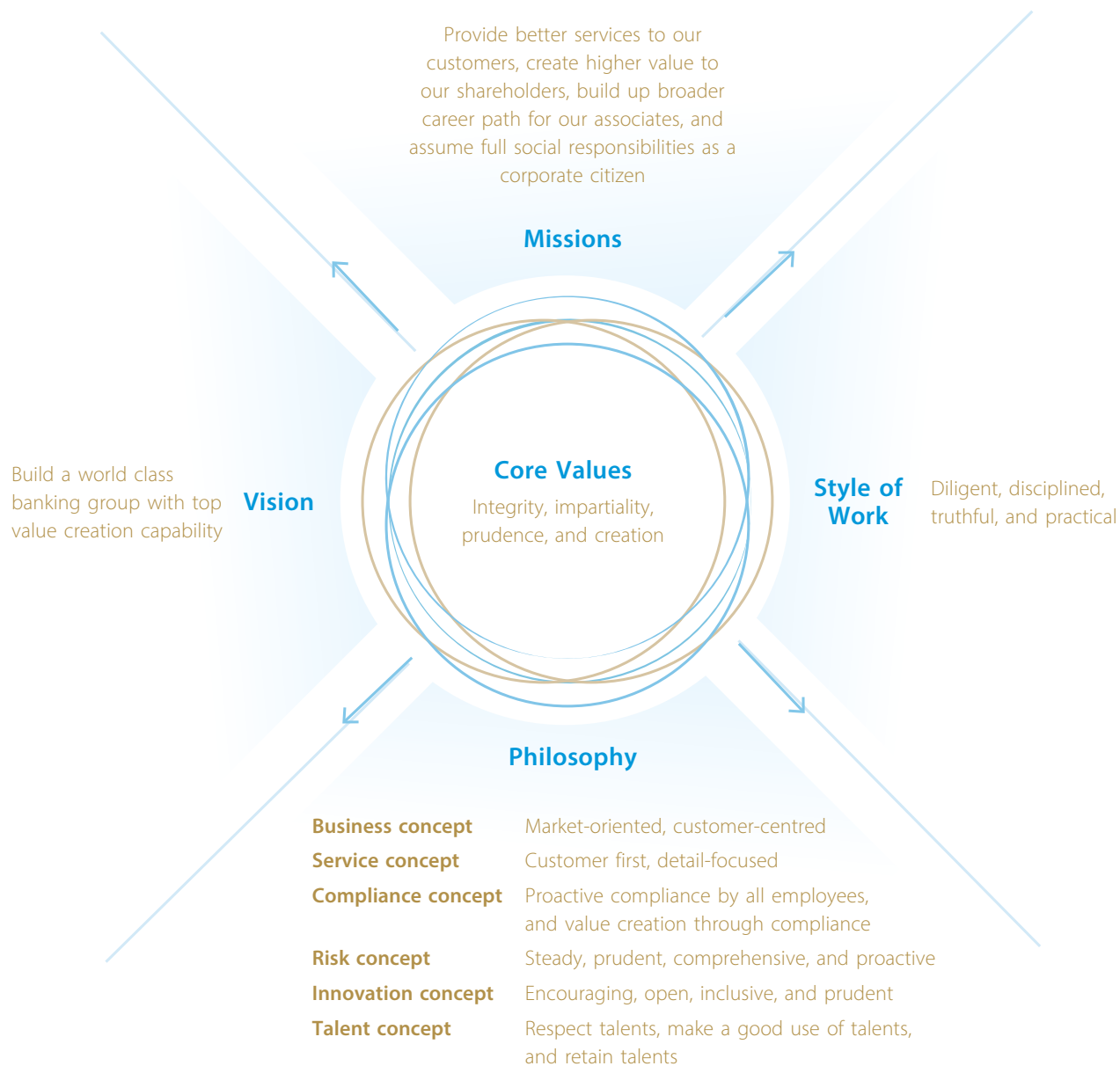
CORPORATE INTRODUCTION



China Construction Bank Corporation, headquartered in Beijing, is a leading large-scale commercial bank in China. Its predecessor, People's Construction Bank of China, was established in October 1954. It was listed on Hong Kong Stock Exchange in October 2005 (stock code: 00939) and Shanghai Stock Exchange in September 2007 (stock code: 601939). At the end of 2025, the Bank's market capitalisation was approximately US\$265,545 million, ranking seventh among all listed banks in the world.

The Bank provides customers with comprehensive financial services, including corporate finance business, personal finance business, treasury and asset management business and others, serving 785 million personal customers and 12.73 million corporate customers. Moreover, it has subsidiaries in various sectors, including fund management, financial leasing, trust, insurance, futures, pension and investment banking. At the end of 2025, the Group had 378,344 staff members and 14,614 operating entities.

The Group continues to enhance high-quality financial services for major national strategies, key areas and weak links, makes significant efforts in the "Five Priorities" in finance, i.e., technology finance, green finance, inclusive finance, pension finance and digital finance, proactively supports the development of new quality productive forces, effectively serves the expansion of domestic demand, and assists in high-standard opening up and coordinated regional development. The Group continuously enhances its "Three Capabilities" in serving national construction, preventing financial risks, and participating in international competition, and unswervingly promotes intensive high-quality development.





CORPORATE INFORMATION

Legal name and abbreviation in Chinese	中國建設銀行股份有限公司 (abbreviated as "中國建設銀行")
Legal name and abbreviation in English	CHINA CONSTRUCTION BANK CORPORATION (abbreviated as "CCB")
Legal representative	Zhang Jinliang
Authorised representatives	Zhang Yi Bo Yingen
Secretary to the Board	Ji Zhihong
Contact address	No. 25, Financial Street, Xicheng District, Beijing
Joint company secretaries	Bo Yingen and Chiu Ming King
Principal place of business in Hong Kong	28/F, CCB Tower, 3 Connaught Road Central, Central, Hong Kong
Registered address and office address	No. 25, Financial Street, Xicheng District, Beijing Postcode: 100033 Telephone: 86-10-67597114
Websites	www.ccb.cn, www.ccb.com
Hotline for customer service and complaints	95533
Contact information for investors	Telephone: 86-10-66215533 Facsimile: 86-10-66218888 Email: ir@ccb.com
Media and websites for information disclosure	<i>China Securities Journal</i> , www.cs.com.cn <i>Shanghai Securities News</i> , www.cnstock.com <i>Securities Times</i> , www.stcn.com <i>Securities Daily</i> , www.zqrb.cn
Website of SSE for publishing the annual report prepared in accordance with PRC GAAP	www.sse.com.cn
Website of the "HKEXnews" of Hong Kong Exchanges and Clearing Limited for publishing the annual report prepared in accordance with IFRS	www.hkexnews.hk
Place where copies of this annual report are kept	Board of Directors Office of the Bank
Listing stock exchanges, stock abbreviations and stock codes	A-share: Shanghai Stock Exchange Stock abbreviation: 建設銀行 Stock code: 601939 H-share: The Stock Exchange of Hong Kong Limited Stock abbreviation: CCB Stock code: 00939 Domestic preference share: Shanghai Stock Exchange Stock abbreviation: 建行優1 Stock code: 360030



CORPORATE INFORMATION

Certified public accountants	Domestic auditor: Ernst & Young Hua Ming LLP Address: 17/F, Ernst & Young Tower, Oriental Plaza, No. 1 East Changan Avenue, Dongcheng District, Beijing Signatory CPAs: Jiang Changzheng, Gu Jun and Li Linlin International auditor: Ernst & Young Address: 27/F, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong Signatory accountant: Leung Shing Kit
Legal advisor as to PRC laws	Commerce & Finance Law Offices Address: 12-15/F, China World Office 2, No. 1 Jianguomenwai Avenue, Beijing
Legal advisor as to Hong Kong laws	Clifford Chance Address: 27/F, Jardine House, One Connaught Place, Central, Hong Kong
A-share registrar	China Securities Depository and Clearing Corporation Limited, Shanghai Branch Address: No. 188 Yanggaonan Road, Pudong New District, Shanghai
H-share registrar	Computershare Hong Kong Investor Services Limited Address: Rooms 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
Sponsors for continuous supervision and guidance	CITIC Securities Company Limited Address: CITIC Securities Tower, No.48 Liangmaqiao Road, Chaoyang District, Beijing Signatory sponsor representatives: Zhou Yu and Shi Guoping Period of continuous supervision and guidance: from 25 June 2025 to 31 December 2026 Guotai Haitong Securities Co., Ltd. Address: No. 618, Shangcheng Road, China (Shanghai) Pilot Free Trade Zone, Shanghai, PRC Signatory sponsor representatives: Sun Lin and Ji Guanheng Period of continuous supervision and guidance: from 25 June 2025 to 31 December 2026



RANKINGS AND AWARDS



UK magazine The Banker

2nd
in Top 1000 World Banks
Ranking 2025

FORBES

US magazine Forbes

7th
in Forbes Global 2000 of 2025



US magazine Global Finance

Best Bank in China 2025
Best Sub-Custodian Bank in China 2025
Best Investment Bank in China 2025

FORTUNE

US magazine Fortune

31st
in Global 500 of 2025



Singapore magazine
The Asian Banker

Best Mega-Retail Bank in China 2025
Best SME Bank in China 2025



MSCI

Sustaining
AAA
ESG rating

人民日报

People's Daily

Digital Inclusive Finance
Cases Selected into China
Inclusive Finance High-Quality
Development Report (2025)



Financial News

CCB "Shanjian Technology"
Sci-tech Finance Service
System selected in Golden
Dragon · Financial Service
Force Cases 2025



Sina Finance

Outstanding Technology
Finance Bank 2025
Best Sustainable Finance Bank 2025
Best Wealth Management Bank 2025



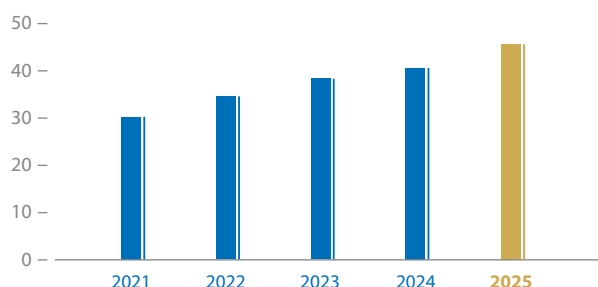
Southern Weekly

"Outstanding Responsible
Enterprise of the Year" for the
17th China CSR Annual Forum

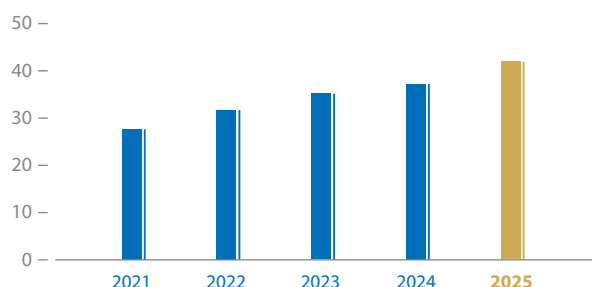


FINANCIAL AND BUSINESS HIGHLIGHTS

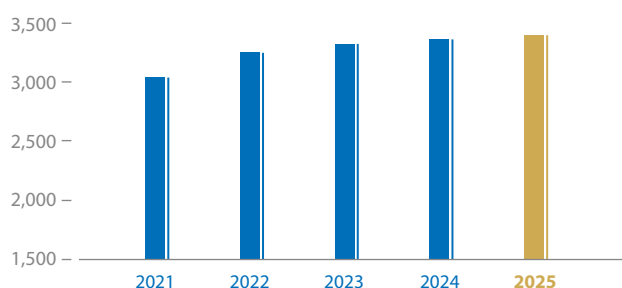
Assets (in trillions of RMB)



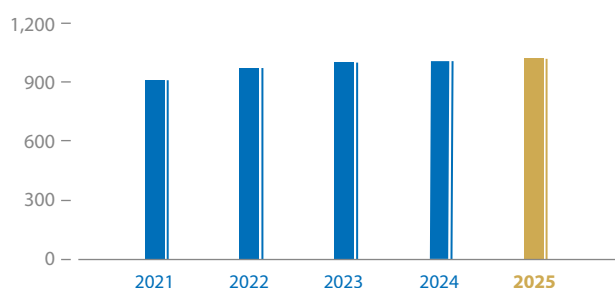
Liabilities (in trillions of RMB)



Net Profit (in hundred million of RMB)



Dividends (in hundred million of RMB)



Sustaining AAA
MSCI ESG rating

ROA



0.79%

ROE



10.04%

NIM



1.34%

Allowance to NPLs



233.15%

Total capital ratio



19.69%

Cost-to-income ratio



29.44%

FINANCIAL AND BUSINESS HIGHLIGHTS

**Technology Finance**

The balance of loans to sci-tech enterprises amounted to

RMB**5.25** trillion, an increase of **18.91%**

The balance of loans to strategic emerging industries were RMB**3.52** trillion, an increase of **23.46%**

**Green Finance**

The balance of green loans amounted to RMB**6.00** trillion, an increase of **20.54%**

Over RMB**270** billion had been invested in green sectors within the Bank's bond investment portfolio

**Progress in the "Five Priorities" in finance****Inclusive Finance**

The balance of inclusive loans granted to small and micro businesses amounted to

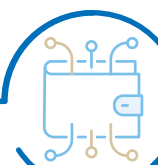
RMB**3.83** trillion, an increase of **12.37%**

The balance of "Yunong Loan" exceeded RMB**340** billion, an increase of over **20%**

**Pension Finance**

Pillar 2 assets managed by CCB Pension amounted to RMB**723,335** million, an increase of **15.36%**

Pension assets under custody of the Bank reached RMB**2.06** trillion, an increase of **16.87%**

**Digital Finance**

The balance of loans to core industries of the digital economy was RMB**891,926** million,

an increase of **18.70%**

Users of "Binary Stars" reached **546** million



FINANCIAL SUMMARY

The financial information set forth in this annual report is prepared on a consolidated basis in accordance with the IFRS and expressed in RMB unless otherwise stated.

(Expressed in millions of RMB, unless otherwise stated)	2025	2024	Change (%)	2023	2022	2021
For the year						
Operating income	740,871	728,570	1.69	745,615	757,510	764,706
Net interest income	572,774	589,882	(2.90)	617,233	643,669	605,420
Net fee and commission income	110,307	104,928	5.13	115,746	116,085	121,492
Other net non-interest income	57,790	33,760	71.18	12,636	(2,244)	37,794
Operating expenses	(227,225)	(223,779)	1.54	(220,152)	(219,991)	(219,182)
Credit impairment losses	(133,317)	(120,700)	10.45	(136,774)	(154,535)	(167,949)
Other impairment losses	(42)	(298)	(85.91)	(463)	(479)	(766)
Profit before tax	380,623	384,377	(0.98)	389,377	383,699	378,412
Net profit	339,790	336,282	1.04	332,460	324,863	303,928
Net profit attributable to equity shareholders of the Bank	338,906	335,577	0.99	332,653	324,727	302,513
Net profit attributable to ordinary shareholders of the Bank	333,486	328,469	1.53	327,543	320,189	297,975
Net cash from operating activities	2,101,242	338,023	521.63	642,850	978,419	436,718
As at 31 December						
Total assets	45,631,818	40,571,149	12.47	38,324,826	34,600,711	30,253,979
Net loans and advances to customers	26,926,790	25,040,400	7.53	23,083,377	20,493,042	18,170,492
Total liabilities	41,945,741	37,227,184	12.68	35,152,752	31,724,467	27,639,857
Deposits from customers	30,835,574	28,713,870	7.39	27,654,011	25,020,807	22,378,814
Total equity	3,686,077	3,343,965	10.23	3,172,074	2,876,244	2,614,122
Total equity attributable to equity shareholders of the Bank	3,663,411	3,322,127	10.27	3,150,145	2,855,450	2,588,231
Share capital	261,600	250,011	4.64	250,011	250,011	250,011
Common Equity Tier 1 capital ¹	3,464,852	3,165,549	9.46	2,944,386	2,706,459	2,475,462
Additional Tier 1 capital ¹	198,931	158,875	25.21	200,088	140,074	100,066
Tier 2 capital ¹	999,643	978,839	2.13	876,187	793,905	676,754
Total capital ¹	4,663,426	4,303,263	8.37	4,020,661	3,640,438	3,252,282
Risk-weighted assets ¹	23,685,171	21,854,590	8.38	22,395,908	19,767,834	18,215,893
Per share (In RMB)						
Basic and diluted earnings per share	1.30	1.31	(0.76)	1.31	1.28	1.19
Net assets per share attributable to ordinary shareholders of the Bank	13.24	12.65	4.66	11.80	10.86	9.95
Net cash from operating activities per share	8.03	1.35	494.81	2.57	3.91	1.75

1. Data for 2025 and 2024 were measured in accordance with the relevant rules of the *Rules on Capital Management of Commercial Banks*. Data in previous periods were measured in accordance with the relevant rules of the *Capital Rules for Commercial Banks (Provisional)*.



FINANCIAL SUMMARY

	2025	2024	Change+/-	2023	2022	2021
Profitability indicators (%)						
Return on average assets ¹	0.79	0.85	(0.06)	0.91	1.00	1.04
Return on average equity	10.04	10.69	(0.65)	11.56	12.30	12.55
Net interest margin	1.34	1.51	(0.17)	1.70	2.01	2.13
Net fee and commission income to operating income	14.89	14.40	0.49	15.52	15.32	15.89
Cost-to-income ratio ²	29.44	29.58	(0.14)	28.39	27.96	27.64
Capital adequacy indicators (%)						
Common Equity Tier 1 ratio ³	14.63	14.48	0.15	13.15	13.69	13.59
Tier 1 ratio ³	15.47	15.21	0.26	14.04	14.40	14.14
Total capital ratio ³	19.69	19.69	-	17.95	18.42	17.85
Total equity to total assets	8.08	8.24	(0.16)	8.28	8.31	8.64
Asset quality indicators (%)						
Non-performing loan (NPL) ratio	1.31	1.34	(0.03)	1.37	1.38	1.42
Allowance to NPLs ⁴	233.15	233.60	(0.45)	239.85	241.53	239.96
Loan provision ratio ⁴	3.06	3.12	(0.06)	3.28	3.34	3.40

1. Adjusted by dividing net profit by the average of total assets at the beginning and end of the year.
2. Operating expenses (after deduction of taxes and surcharges) divided by operating income.
3. Data for 2025 and 2024 were measured in accordance with the relevant rules of the *Rules on Capital Management of Commercial Banks*. Data in previous periods were measured in accordance with the relevant rules of the *Capital Rules for Commercial Banks (Provisional)*.
4. Allowances for impairment losses on loans include the allowances for impairment losses on discounted bills measured at fair value through other comprehensive income, and both total loans and NPLs do not include the accrued interest.

The following table sets forth the main quarterly financial indicators of the Group during the respective periods.

(In millions of RMB)	2025				2024			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Operating income	185,990	199,915	174,376	180,590	195,284	179,547	177,516	176,223
Net profit attributable to equity shareholders of the Bank	83,351	78,725	95,284	81,546	86,817	77,509	91,450	79,801
Net cash from/(used in) operating activities	721,067	535,547	560,766	283,862	209,335	81,470	664,064	(616,846)



CHAIRMAN'S STATEMENT



Zhang Jinliang Chairman

Dear shareholders,

In 2025, China's economy forged ahead against headwinds, and achieved innovation-driven and high-quality development, demonstrating remarkable resilience and vitality. Under the strong leadership of the CPC Central Committee with Comrade Xi Jinping at its core, we have deeply understood the political and people-centred nature of financial services. Guided by the fundamental principle of enhancing our "Three Capabilities", we steadfastly served the building of China into a financial powerhouse, and unwaveringly followed the path of financial development with Chinese characteristics. The Group successfully concluded its 14th Five-Year Plan, reaching a new stage in intensive high-quality development. At the end of 2025, the Group's total assets exceeded RMB45 trillion. We achieved operating income of RMB740,871 million and a net profit of RMB339,790 million. Key indicators, including ROA, ROE, net interest margin, total capital ratio, and cost-to-income ratio, remained robust, balanced, and well-coordinated. We successfully completed the issuance of A-shares to the MOF, with proceeds of RMB105.0 billion, effectively replenishing Common Equity Tier 1 capital of the Bank. Our MSCI ESG rating was maintained at the highest level of AAA.

Looking back, we trace the roots of these accomplishments to guide our future. The year 2025 marks the 71st anniversary of CCB's founding and the 20th anniversary of its shareholding reform and listing. The over seven decades of development represent a history of striving for a bank born from and thriving on "construction". From a bank undertaking the function of China's fiscal fund allocation to a specialised state bank, then a state-owned commercial bank, we have achieved leapfrog development. Each transformation, from "moving entities where projects are, serving where needs arise" and "managing a bank in a bank's way", to "concentrating on banking", and further to modern corporate governance initiated by the shareholding reform and listing, has been deeply rooted in the grand picture of national economic development, vividly engraved with distinct imprints of reform and progress. Over seven decades of arduous journey through thick and thin, our birth, growth, and transformation have always resonated with the development of the CPC and China. **We opened up new prospects by navigating changes, and**



CHAIRMAN'S STATEMENT

built winning momentum by consolidating advantages, keeping the balance of "change" and "consistency" in serving the national cause and dynamically enriching the contemporary meaning of the word "Construction" in our name. "Change" is about keeping pace with the times. In line with the strategic demand of economic and social development, we channelled financial resources to the modern industrial system, new quality productive forces, and the "Five Priorities" in finance more precisely, and served the building of a robust domestic market and the expansion of high-standard opening-up more efficiently. The brush strokes of "Construction" are now outlining a more dynamic and sustainable economic landscape. **"Consistency" is about staying true to our founding mission.** We have always upheld the leadership of the CPC, stood at the forefront of serving China's key development and construction tasks at different stages, led in serving the upgrades in development of the real economy, and wholeheartedly strived to meet the people's aspirations for a better life. We consolidated our core business while expanding growth points, with the proportions of loans granted to technology, green, inclusive and other key sectors in total loans rising steadily. We have built up a vast customer base, serving 12.73 million corporate customers and 785 million personal customers in total. Personal loans amounted to RMB9 trillion, and personal financial assets under our management exceeded RMB23 trillion.

Looking back, we cherish these accomplishments all the more and are grateful for the support we have received. Our growth and development are inseparable from the long-term trust of our customers, the steadfast confidence of our shareholders, the collective dedication of all our staff, and the unwavering support from all sectors of society. On behalf of the Board, I would like to take this opportunity to extend our heartfelt gratitude to all of you. To share the fruits of our development, the Board proposes a final cash dividend of RMB2.029 per ten shares (including tax) for 2025, subject to the shareholders' meeting for consideration. Upon approval, the cash dividend per ten shares (including tax) for 2025 will reach RMB3.887.

In 2025, we focused on building a solid foundation of mutual benefit and shared success with our customers, delivering stable and reliable value returns to our shareholders, and providing a broad stage for our staff members to realise their aspirations, so as to create greater economic and social value in serving the process of Chinese modernisation.

Staying true to our core responsibilities and continuously enhancing our capacity to serve national construction. As the Chinese saying goes, "For a tree to grow tall, its roots must be strong." CCB is deeply rooted in the fertile soil of national construction, and serving the real economy remains our unwavering mission. Aligning with the evolving trends in

economic structure, industrial structure, and social financing, we optimised and strengthened our operations through differentiated development. Our loans to key areas, including the "Five Priorities" in finance, recorded double-digit growth. On the supply side, we systematically and comprehensively improved our integrated financial services, creating service brands such as the "Shanjian Intelligent Manufacturing" and "Shanjian Strong Infrastructure". We made utmost efforts to support the building of a modern industrial system and promoted the deep integration of sci-tech innovation and industrial innovation. On the demand side, we pressed ahead with the special consumer finance action, effectively implemented interest subsidy policies for consumer loans, continuously enhanced financial services for key areas such as "implementation of major national strategies and enhancement of security capacity in key areas" and "the new round of large-scale equipment renewal and trade-ins of consumer goods", supported the high-quality development of the private economy, and provided all-around support for expanding domestic demand. On the geographic dimension, we served national major regional strategies and the strategy for coordinated regional development by formulating regional financial service plans for the Beijing-Tianjin-Hebei region, the Yangtze River Delta, the Guangdong-Hong Kong-Macau Greater Bay Area, and the Chengdu-Chongqing Economic Circle, actively supporting the development of city clusters and metropolitan areas, and enhancing financial services in county areas and rural regions.

Building stronger defences and continuously enhancing our capability to prevent financial risks. We always approach risks with extreme-case scenario planning and bottom-line safeguarding mindset, and take credit risk control as the top priority in the Bank's operations and management. We firmly grasp the relationship between "prevention" and "promotion", maintaining robust asset quality and strong risk mitigation capacity. For "prevention", we continued to improve our risk and internal control management system, optimised the comprehensive financing management mechanism for corporate customers, reinforced look-through management of subsidiaries and overseas operations, expedited development of the intelligent risk control system, and enhanced the integrated risk control capabilities of the Group. We intensified risk monitoring and mitigation in key areas, and prudently advanced intensive operation of inclusive finance and retail credit. Furthermore, we conducted thorough rectification of security hazards in key areas, strengthened network and information security controls, and reinforced management of market risk, internal control and compliance, anti-gambling, and anti-fraud, ensuring safe, stable, and orderly operations. For "promotion", we stepped up our efforts in dynamic review and differentiated arrangements of credit guidelines and approval policies, and optimised credit processes, so as to responded flexibly and reasonably to the operational and development needs.



CHAIRMAN'S STATEMENT

Aligning with the trend of opening-up and continuously enhancing our capabilities for international competition.

We highlighted holistic planning and global deployment, formulated a package of detailed measures covering rules and processes, resource allocation, products and services, team building, and sci-tech support, and focused on enhancing our integrated service capacity of Renminbi and foreign currencies, and of domestic and overseas business. From financial innovation in the Hainan Free Trade Port to bank-enterprise cooperation under the Belt and Road Initiative, from the efficient operation of global cash management and custody services to the ecological connection on cross-border matchmaking platforms, we are telling China's story on the global financial stage with increasing confidence. We built the resounding brand of "Come to CCB for Going Global", focusing on meeting the diverse needs of foreign trade and investment customers. International business credit balance and cross-border RMB settlement volume achieved double-digit growth, with London Branch maintaining its position as the largest RMB clearing bank outside Asia. We exerted every effort to support the high-quality Belt and Road cooperation, facilitated the synergies of RCEP countries, and the profitability for overseas operations reached a historic high with the operating quality and efficiency rising steadily.

Deepening reform and innovation to stimulate vitality in systems and mechanisms.

Seeking inward is to better grow upward. We integrated strengthening top-level design with drawing wisdom from people, "assessing priorities based on materiality and urgency before implementation". We took comprehensive measures for cost reduction, quality enhancement, and efficiency improvement, and tackled institutional and systemic obstacles and deep-seated issues that are incompatible with high-quality development one by one. We diligently advanced improvements in ten aspects, including corporate governance, customer and product services, and asset and liability management, unleashing internal dynamism. Leveraging on the efficacy of our Strategy and Planning Formulation and Implementation and Comprehensive Deepening Reform Committee in decision-

making, we thoroughly analysed root causes and achieved targeted breakthroughs, adjusted business strategies, and clarified operational targets and management directions for key areas. We proactively initiated the formulation of the Group's 15th Five-Year Plan. Regarding soliciting input from our staff, we adopted an open-minded attitude and openly solicited suggestions across the bank, encouraging the branches to "genuinely raise suggestions and point out the real issues", thereby easing bottlenecks and building consensus.

Forging spiritual strength upon the bedrock of our cultural heritage to achieve enduring success.

Finance is never just cold numbers; it is a responsibility and companionship filled with warmth. We earnestly conducted study and education activities to thoroughly implement the spirit of Central Eight-point Regulation on improving work styles, and promoted learning, inspection, and rectification across all levels of the bank. Upholding the noble spirit of the veteran hero Zhang Fuqing, who concealed his achievements and adhered to his original aspirations, we actively fostered and practised financial culture with Chinese characteristics, integrating the "Five Musts and Five Don'ts" into our management. We strengthened the overall planning and talent pipeline development, improved the regular working mechanism for cultivating and selecting outstanding young cadres, implemented specialised talent cultivation plans for key areas such as the "Five Priorities" in finance and internationalisation, and beefed up our efforts to effectively empowering frontline operations and alleviating their workloads, enabling every CCB associate to realise their own value in the relentless efforts of serving the nation and our customers.

Standing at the starting point of the 15th Five-Year Plan period, we will adhere to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for the New Era, fully implement the spirit of the 20th CPC National Congress and its plenary sessions, and firmly establish and practise a correct view of operation, performance, and risk. We will focus on our core responsibilities, aim at optimising and strengthening our operations, and unwaveringly press ahead with the intensive high-quality development. We are keenly aware that:



CHAIRMAN'S STATEMENT

Only by keeping pace with the times and expediting transformation can we progress steadily.

We will adapt to the shifts in economic development models, industrial structures, and social financing patterns during the 15th Five-Year Plan period, expedite the adjustment of our business structure and the transformation of our development model. We will consolidate and expand our strengths in traditional distinctive areas, and reinforce the weak areas, in five aspects including business deployment, financing methods, customer structure, development space, and service models. We will strengthen coordination and synergy across the group by pressing ahead with the integration of commercial and investment banking, the integration of public and private sector services, the integration of Renminbi and foreign currency businesses, and the integration of group-wide operations, enhancing financing accessibility and the alignment of supply with demand. We will vigorously serve the nation's goal of achieving greater self-reliance and strength in science and technology, strive to build a leading bank in technology finance, solidly advance our digital and intelligent transformation, and continuously improve the quality and efficiency of serving the real economy. Furthermore, we will comprehensively enhance our capabilities to participate in international competition, providing robust support for high-standard opening-up. We will pool more resources on improving financial services at the county level, better serving the integrated development of urban and rural areas.

Only by grasping the trend and fostering benign interactions can we prevent risks in the process of development and promote high-quality development in the process of preventing risks.

We will build a comprehensive, proactive, intelligent, and agile risk control system, comprehensively enhancing global perspective and holistic thinking, proactively anticipating and responding to changes in risk landscape with an enterprise-level intelligent risk control platform, and responding to markets and serving customers in an agile manner. We will focus on asset quality control and management, closely monitor key areas to effectively identify and mitigate potential risks, and advance the disposal of non-performing assets in a vigorous and orderly manner. We will establish an agile and efficient

dynamic adjustment mechanism for credit guidelines and approval policies, seeking the optimal balance between "flexible granting" and "effective management". We will comprehensively and effectively refine fundamental management, improve compliance management system, and enhance emerging risk management and enterprise-level anti-fraud capabilities.

Only by combining firm belief with pragmatic approaches, dedication and self-discipline can we achieve excellence.

We will uphold and strengthen the CPC's overall leadership, and promote high-quality development with high-quality Party building. We will firmly establish and practise a correct view of official performance, and improve the evaluation system for high-quality development. We will build a high-calibre professional talent team, and foster a positive atmosphere for pioneering and undertaking endeavours. Furthermore, we will use the practice of openly soliciting suggestions as a powerful tool for improving our work style, establish a regular long-term mechanism featuring "good at identifying problems, daring to expose them, courageous in confronting them, and effective in resolving them".

Building on the solid foundation of over seven decades, driven by our wholehearted dedication to serving Chinese modernisation, we will continue to forge ahead with unwavering resolve on the journey of intensive high-quality development, and create an epic of striving for our nation and serving our people with concrete actions and tangible achievements.

Zhang Jinliang*Chairman*

27 March 2026

PRESIDENT'S STATEMENT



Zhang Yi President

Dear shareholders,

The year 2025 marks the concluding year of the 14th Five-Year Plan, and is a pivotal year for CCB as it embarks on a renewed commitment to its 70-year journey. Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for the New Era, CCB resolutely implemented the decisions and deployment of the CPC Central Committee and the State Council, anchored in high-quality development and strove to become better and stronger. With pioneering spirit and rigorous internal cultivation, it focused on delivering solid results, strengthening foundations, and planning for long-term development, and guided the reasonable growth in quantity with effective improvement in quality. As a result, it maintained stable growth with gradual progress, and achieved innovative and quality development, delivering a performance report that demonstrated greater resilience and higher value.

We achieved steady business growth and further improvement in business structure. At the end of 2025, the Group's total assets stood at RMB45.63 trillion, an increase of 12.47% over 2024, of which loans and financial investments accounted for nearly 90%. Net loans and advances to customers were RMB26.93 trillion, an increase of 7.53%; financial investment totalled RMB12.90 trillion, an increase of 20.72%. The Group's total liabilities amounted to RMB41.95 trillion, an increase of 12.68%, of which deposits from customers totalled RMB30.84 trillion, an increase of 7.39%. **We achieved stable profit and fostered new development momentum.** In 2025, the Group saw steady improvement in profitability across quarters, with operating income of RMB740,871 million, an increase of 1.69%, and net profit of RMB339,790 million, an increase of 1.04%. We upgraded our growth drivers, actively explored new pathways to support new quality productive forces through financial services, with loan growth rates in key areas such as the "Five Priorities" in finance, and manufacturing exceeding the average loan growth rate. We actively accelerated the transition toward light-asset and light-capital models, driving synergies in wealth management, investment banking, asset management, and transaction banking. The Group's net fee and commission income increased by 5.13%. **We achieved effective risk control and excellence in operating quality and efficiency.** In 2025, the asset quality remained stable with NPL ratio of 1.31%, and the risk mitigation capacity stayed ample with the allowances to NPLs standing at 233.15%. We remained committed to value creation and maintained balanced and coordinated core indicators, with return on average assets of 0.79%, return on average equity of 10.04%, net interest margin of 1.34%, total capital ratio of 19.69%, Common Equity Tier 1 ratio of 14.63%, and cost-to-income ratio of 29.44%. With strong support from shareholders, the Group efficiently increased its capital with high quality.



We focused on our main responsibilities, continued to optimise the supply of financial services, and delivered strong and effective support to the real economy. We allocated credit resources across multiple channels, driving efforts from both supply and demand sides, in urban and rural areas, and for domestic and overseas markets to fully support the steady improvement of the national economy. We actively assisted in boosting consumption, stabilising markets, and expanding investment. Personal consumer loans increased by 29.41%, and loans to the private sector amounted to RMB6.72 trillion, an increase of 12.17%. We launched the “Shanjian Intelligent Manufacturing” and “Shanjian Strong Infrastructure” service solutions, granting loans to the manufacturing sector totalling RMB3.52 trillion. The digital supply chain provided cumulative financing support of RMB1.32 trillion throughout the year. We supported regional coordinated development, and the proportion of loans to key regions, including the Beijing-Tianjin-Hebei region, the Yangtze River Delta, Guangdong-Hong Kong-Macau Greater Bay Area, and the Chengdu-Chongqing Economic Circle, rose in the Group's total loans. Deposit and loan growth rates at the county level exceeded the Group's average. **We effectively and thoroughly implemented the “Five Priorities” in finance.** We enhanced our capabilities in a systematic and organised manner, deepening comprehensive financial services including “equity, loan, bond, insurance and leasing” in technology finance. Loans to sci-tech enterprises totalled RMB5.25 trillion, underwriting volume of sci-tech innovation bonds reached RMB71,984 million, and 28 AIC pilot equity investment funds were established on a cumulative basis. We refined the system for diversified services for green finance. The green loans amounted to RMB6.00 trillion, and the integrated businesses such as bonds, leasing, investments, and funds grew rapidly. Our MSCI ESG rating stayed at AAA. We deepened engagement with inclusive finance customers. The number of borrowers of inclusive loans granted to small and micro businesses reached 3.69 million, with the balance of such loans reaching RMB3.83 trillion, and the agriculture-related loans totalled RMB3.71 trillion. We enhanced the pension finance promotion framework, with steady growth in enterprise annuity and personal pension businesses. Pillar 2 assets managed by CCB Pension increased by 15.36%. In terms of digital finance, we advanced the “AI+” initiative, with FLMs empowering 398 application scenarios cumulatively. Our “binary stars” users reached 546 million, and the loans granted to the core industries of digital economy totalled RMB891,926 million.

We firmly upheld the principle of “financial services for the people” and steadily enhanced our comprehensive service capabilities. Adhering to the customer-centred philosophy, we strengthened tiered and in-depth customer operation, and established a unified customer profiling system across the bank. We explored the transition to a service model featuring “ecosystems + industrial and supply chains + industrial and business clusters” by cross-selling of tailored products and enhancing product coverage, so as to maximise both the effectiveness of integrated customer service and the overall value for the Group. **In terms of corporate finance,** we established a comprehensive and differentiated customer group

operation model, serving 12.73 million corporate customers and 17.89 million corporate RMB settlement accounts. We improved the quality and efficiency of payment and settlement network services, with a 13.97% increase in the transaction volume of non-cash corporate payment and settlement services. **In terms of personal finance,** we deepened our tiered, grouped and graded service system, and focused on enhancing “digital and intelligent, specialised, and ecosystem-oriented” capabilities. We upgraded the personal customer benefits system from an enterprise-level perspective, expanding our total personal customer base to 785 million with personal financial assets under management by the Bank exceeding RMB23 trillion. Wealth management customers recorded double-digit growth. **In terms of treasury and asset management,** we enhanced our direct financing service capabilities to build the value chain between wealth management and asset management, and the assets under management by the Group reached RMB6.94 trillion. We deepened the graded, tiered and categorised management of financial institution customers, and the number of securities customers for the third-party security custody services of trading settlement funds exceeded 100 million, and the assets under custody of the Bank amounted to RMB27.40 trillion. **We deepened coordination and collaboration** through various integrations. We advanced the integration of commercial and investment banking, with an 85.85% increase in bond underwriting volume of non-financial enterprises and a 24.01% increase in merger and acquisition loans. We promoted the integration of corporate and personal banking by strengthening ecosystem operations for payroll disbursement and social security card services to comprehensively address financial needs across governments, enterprises, and employees. We enhanced the integration of Renminbi and foreign currency businesses, with international business credit balance of RMB1.45 trillion and cross-border RMB settlement volume of RMB6.50 trillion. We reinforced group-wide integration by optimising the coordination and collaboration mechanism between parent and subsidiaries as well as domestic and overseas operations, with net profit of overseas operations reaching RMB12,038 million and that of integrated operation subsidiaries reaching RMB9,450 million.

We adhered to bottom-line thinking and ensured effective and orderly risk prevention and control across the group. Committed to serving as a major force for maintaining financial stability, we strengthened risk management with comprehensive, proactive, and intelligent approaches, reinforced security through development and pursued development under the premise of security. **We consolidated the foundation of comprehensive risk management.** We improved the “three lines of defence” risk governance structure, optimised rules and procedures for comprehensive financing management, enhanced our risk panorama, and intensified look-through risk management for overseas operations and subsidiaries, which led to continuous improvement in the Group's capacity for collaborative risk control. **We maintained proactive and effective control over asset quality management.** We addressed risks in key areas in a steady and orderly manner, refined management at risk sources and key links such as business access, risk verification,



PRESIDENT'S STATEMENT

monitoring, and early warning, and implemented dynamic reviews and differentiated adjustments to credit policies. We promoted intensive operation of inclusive finance and retail credit, employing multiple measures to enhance the quality and efficiency of non-performing asset resolution. In 2025, the Group's NPL ratio was 1.31%, dropping 0.03 percentage points from 2024; the special mention loans accounted for 1.77% of the total loans, dropping 0.12 percentage points from 2024.

We enhanced our capabilities in managing emerging risks.

We sped up the development of an intelligent risk control system, reviewed online business rule models, upgraded the enterprise-level fraud risk management platform, reinforced IT risk controls, and effectively addressed risks such as data security, gambling and fraud. **We continued to deepen our internal control and compliance management.** We enhanced regulatory compliance capabilities, continuously strengthened staff behaviour management, anti-money laundering, and sanctions risk controls, and steadily promoted work related to protection of consumer rights and interests and safe operation.

We persevered in lean management, and further advanced cost reduction, quality enhancement and efficiency improvement. We improved the total cost management mechanism.

Committed to practising strict economy in running the Bank, we refined the dynamic allocation mechanism for financial resources, and enhanced input-output efficiency evaluations. We balanced support and restraint in resource allocation, strengthened control over key projects, and delved into the sources of operations to identify further cost reduction possibilities. The cost-to-income ratio stood at 29.44%, dropping 0.14 percentage points from 2024. **We expedited the promotion of digital and intelligent transformation.** We actively pressed ahead with the deep integration of business, data, and technology to cultivate new quality productive forces in finance. We strengthened the foundation of digital infrastructure, and pioneered in completing the comprehensive architectural transformation of the core banking system. The computing power of "CCB Cloud" rose by 12.10% over 2024. We established an enterprise-level AI technology framework, further applied AI to key areas such as wealth management, inclusive finance and risk management. We established a data mechanism of demand coordination, monitoring and operation, further unlocking the value of data elements. **We established an enterprise-level operational system.** We developed an all-channel process optimisation and coordination mechanism to provide customers with "one-stop" and "one-click" services. We effectively enhanced the efficiency of key business processes such as corporate account opening, diversified end-to-end online transaction scenarios, and enhanced automated processing capabilities for centralised business operations, thereby improving customer experience, and empowering frontline staff while alleviating their workloads.

With the blueprint in hand, we will shape the future through practical actions. As the year 2026 marks the starting year of the 15th Five-Year Plan, CCB will thoroughly implement the

guiding principles of the CPC 20th National Congress and its plenary sessions, firmly establish and practise a correct view of official performance, take solid actions with a down-to-earth attitude, and advance comprehensive integrated business transformation to strengthen internal drivers for sustainable development, contributing CCB's strength to the process of Chinese modernisation. In the year ahead, **we will stick to serving national strategies**, step up our efforts to support the expansion of domestic demand by deepening the special consumer finance action, and fully support the "implementation of major national strategies and enhancement of security capacity in key areas" and "the new round of large-scale equipment renewal and trades-in of consumer goods". We will step up efforts to refine the sustainable business model for the "Five Priorities" in finance, better facilitate high-standard opening-up, and cultivate service capabilities for county-level finance and rural revitalisation. **We will stay committed to driving high-quality development.** In terms of customer operations, we will focus on enhancing service capabilities as the core objective. In terms of liability business, we will dynamically coordinate volume, price, and quality. In terms of asset business, we will focus on managing the trade-off between volume, price, and risk. In terms of intermediary business, we will adopt tailored strategies integrating "intelligence, technology, equity, and credit". In terms of cost management, we will integrate cost reduction with efficiency enhancement. **We will resolutely pursue the upgrading of service models.** By aligning with the patterns of economic and social transformation, we will optimise and iterate the service model featuring "ecosystems + industrial and supply chains + industrial and business clusters" based on customer needs, and strengthen market penetration, customer engagement, product coverage, and transaction activation. **We will persevere in consolidating foundations.** We will improve the IT and operation management systems, press ahead with the Group's digital and intelligent transformation, enhance enterprise-level centralised operational capabilities, and optimise customer experience both online and offline. **We will unwaveringly safeguard the bottom line of risks.** We will prevent and resolve risks in key areas and institutions in a steady and coordinated manner, reinforce checks and balances, coordination, and centralised management, and safeguard the lifeline of asset quality, ensuring that the overall risks of the Group are well under control.

Zhang Yi
President

27 March 2026



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FINANCIAL REVIEW

In 2025, the global economy demonstrated a certain degree of resilience, with geopolitical tensions and trade barriers bringing about numerous uncertainties to economic growth. Major economies and global financial markets reported divergent performance, with most major developed economies remaining in an interest rate-cutting cycle. China's economy forged ahead despite pressures and achieved innovative and quality development, showing strong resilience and vitality, and maintained overall stability with gradual progress. China successfully achieved its main targets for economic and social development, marking the successful conclusion of the 14th Five-Year Plan. In 2025, China's GDP exceeded RMB140 trillion, an increase of 5.0% over 2024 at constant prices. China steadily advanced the modernisation of industrial systems, made new strides in reform and opening-up, scored positive achievements in mitigating risks in key areas, and more effectively safeguarded people's livelihoods. Financial markets operated steadily, and confidence in the capital market was effectively bolstered. Meanwhile, challenges such as the deepening impact of changes in the international environment and the pronounced imbalance between strong domestic supply and weak demand persisted.

China implemented more proactive and effective macroeconomic policies, providing strong and targeted support for a steady improvement in the national economy. The fiscal policies were more proactive, with a deficit-to-GDP ratio of approximately 4% for the year. It issued ultra-long-term special government bonds totalling RMB1.3 trillion, to constantly support the "implementation of major national strategies and enhancement of security capacity in key areas" ("Two Key Tasks") as well as "the new round of large-scale equipment renewal and trade-ins of consumer goods" ("Two Renewals"). Monetary policies remained moderately accommodative to strengthen counter-cyclical adjustments. Credit supply maintained reasonable growth, and the cost of social financing continued to decline. Regulators further improved relevant policies, coordinating efforts to prevent risks, strengthen supervision, and promote high-quality development. Specifically, regulators took robust and systematic measures to prevent and mitigate risks in key areas, with significant progress made in the reform and risk resolution of small and medium-sized financial institutions. They adopted comprehensive measures to guide industry reform and transformation, vigorously driving the banking industry towards higher quality and efficiency. They also established a framework of rules and policies for the high-quality development of the "Five Priorities" in finance, and the relevant policies and statistical rules have been implemented. In 2025, the banking industry witnessed a steady growth in size and profits, overall stable asset quality, and rising quality and efficiency in serving the real economy.

With a vast and solid customer base, a dedicated and resilient workforce, a strong tradition of reform and innovation, a comprehensive, proactive and intelligent risk control system, and secure and reliable FinTech support, CCB has always grown in tandem with China's economic development. In 2025, the Group achieved relatively fast growth in assets and liabilities, enhanced the quality and efficiency in serving the real economy, saw robust and solid operating performance, and reported balanced and coordinated key indicators. The Group's total assets reached RMB45.63 trillion, an increase of 12.47% over 2024, of which net loans and advances to customers were RMB26.93 trillion, an increase of 7.53%. Total liabilities amounted to RMB41.95 trillion, an increase of 12.68% over 2024, of which deposits from customers totalled RMB30.84 trillion, an increase of 7.39%. The Bank completed the issuance of A-shares to the MOF with proceeds of RMB105.0 billion. Operating income amounted to RMB740,871 million, and net profit reached RMB339,790 million, an increase of 1.69% and 1.04% over 2024, respectively. Return on average assets and return on average equity were 0.79% and 10.04%, respectively. Cost-to-income ratio was 29.44%, NPL ratio was 1.31%, and total capital ratio reached 19.69%.



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

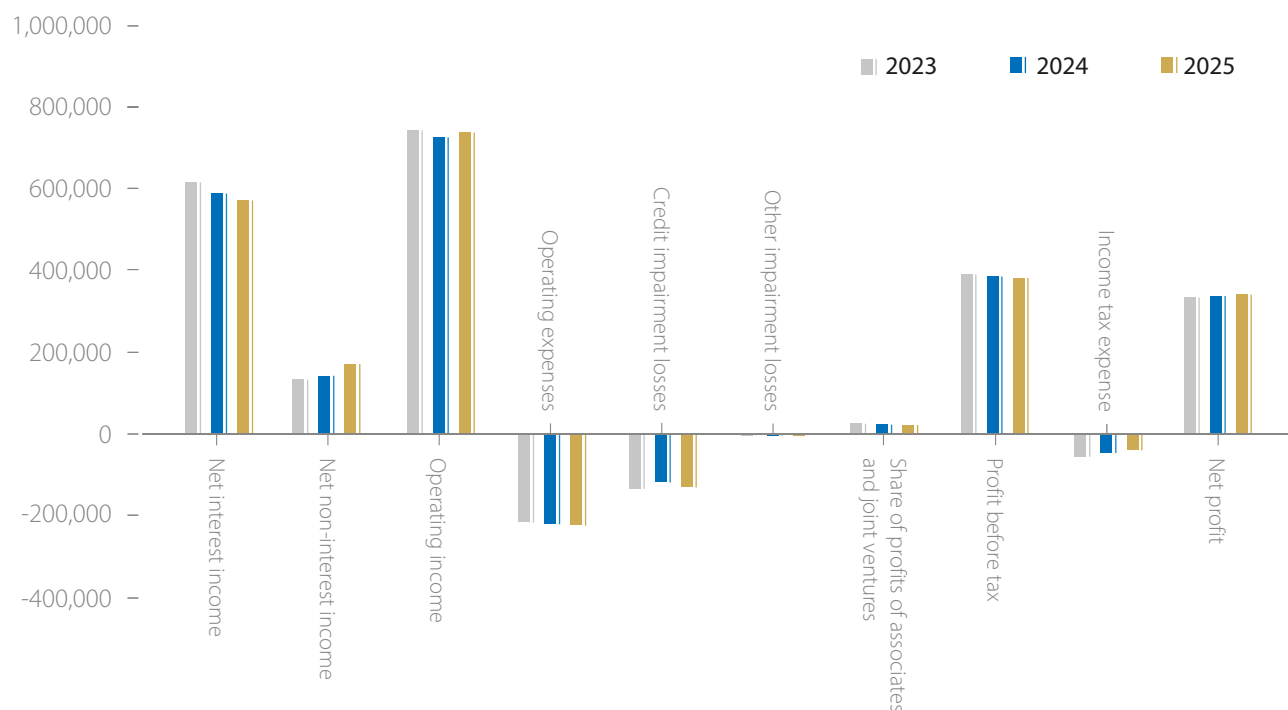
STATEMENT OF COMPREHENSIVE INCOME ANALYSIS

In 2025, the Group's net profit was RMB339,790 million, of which net profit attributable to equity shareholders of the Bank was RMB338,906 million, an increase of 1.04% and 0.99% respectively over 2024. Return on average assets was 0.79%, and return on average equity was 10.04%.

The following table sets forth the composition of the Group's statement of comprehensive income and the changes during the respective periods.

(In millions of RMB, except percentages)	2025	2024	Change (%)	2023
Net interest income	572,774	589,882	(2.90)	617,233
Net non-interest income	168,097	138,688	21.21	128,382
– Net fee and commission income	110,307	104,928	5.13	115,746
Operating income	740,871	728,570	1.69	745,615
Operating expenses	(227,225)	(223,779)	1.54	(220,152)
Credit impairment losses	(133,317)	(120,700)	10.45	(136,774)
Other impairment losses	(42)	(298)	(85.91)	(463)
Share of profits of associates and joint ventures	336	584	(42.47)	1,151
Profit before tax	380,623	384,377	(0.98)	389,377
Income tax expense	(40,833)	(48,095)	(15.10)	(56,917)
Net profit	339,790	336,282	1.04	332,460
Net profit attributable to equity shareholders of the Bank	338,906	335,577	0.99	332,653

Compositions and Changes of Comprehensive Income (In millions of RMB)



**Net Interest Income**

In 2025, the Group's net interest income amounted to RMB572,774 million, a decrease of RMB17,108 million, or 2.90% from 2024. Net interest income accounted for 77.31% of operating income.

The following table sets forth the Group's average balances of assets and liabilities, related interest income or expense, and average yields or costs during the respective periods.

(In millions of RMB, except percentages)	2025			2024		
	Average balance	Interest income/ Interest expense	Average yield/cost (%)	Average balance	Interest income/ Interest expense	Average yield/cost (%)
Assets						
Gross loans and advances to customers	27,164,456	770,261	2.84	25,228,241	864,902	3.43
Financial investments	10,952,537	305,836	2.79	9,363,532	289,788	3.09
Deposits with central banks	2,612,712	41,813	1.60	2,680,183	44,878	1.67
Deposits and placements with banks and non-bank financial institutions	1,029,142	19,801	1.92	885,333	25,228	2.85
Financial assets held under resale agreements	1,007,364	15,551	1.54	943,008	16,761	1.78
Total interest-earning assets	42,766,211	1,153,262	2.70	39,100,297	1,241,557	3.18
Total allowances for impairment losses	(858,089)			(823,273)		
Non-interest-earning assets	2,128,313			1,903,318		
Total assets	44,036,435	1,153,262		40,180,342	1,241,557	
Liabilities						
Deposits from customers	29,212,249	386,659	1.32	27,836,873	458,828	1.65
Deposits and placements from banks and non-bank financial institutions	4,543,363	85,279	1.88	4,025,481	97,731	2.43
Debt securities issued	2,700,044	67,466	2.50	2,046,824	63,860	3.12
Borrowings from central banks	1,019,158	20,703	2.03	1,071,408	27,137	2.53
Financial assets sold under repurchase agreements	1,196,156	20,381	1.70	183,449	4,119	2.25
Total interest-bearing liabilities	38,670,970	580,488	1.50	35,164,035	651,675	1.85
Non-interest-bearing liabilities	1,824,546			1,710,813		
Total liabilities	40,495,516	580,488		36,874,848	651,675	
Net interest income		572,774			589,882	
Net interest spread			1.20			1.33
Net interest margin			1.34			1.51

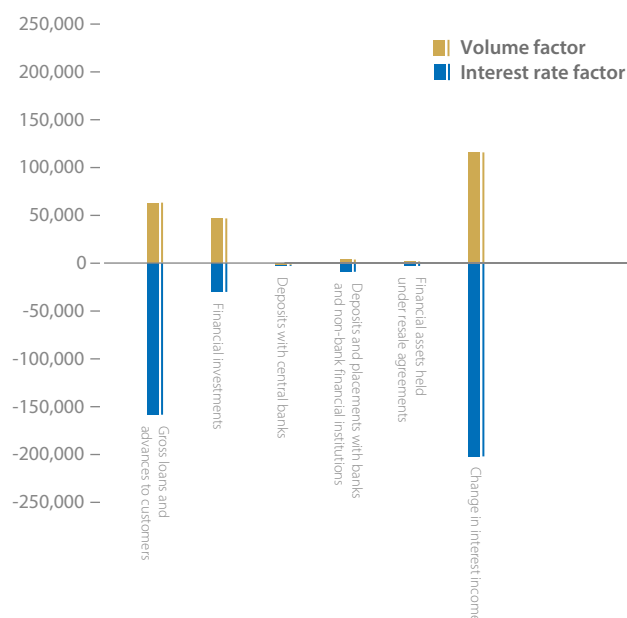
In 2025, the Group paid close attention to market changes, and continued to take multiple measures including adjusting composition of assets and liabilities and strengthening pricing management, striving to maintain its net interest margin at a reasonable level. Due to multiple reasons such as decline in LPR and low market interest rates, assets yield was lower than that of last year. Due to asymmetric interest rate cuts, deposit rate cuts lagging behind loan rate cuts and structural changes, decline in liabilities cost was smaller than that in assets yield. As a result, net interest margin was 1.34%.



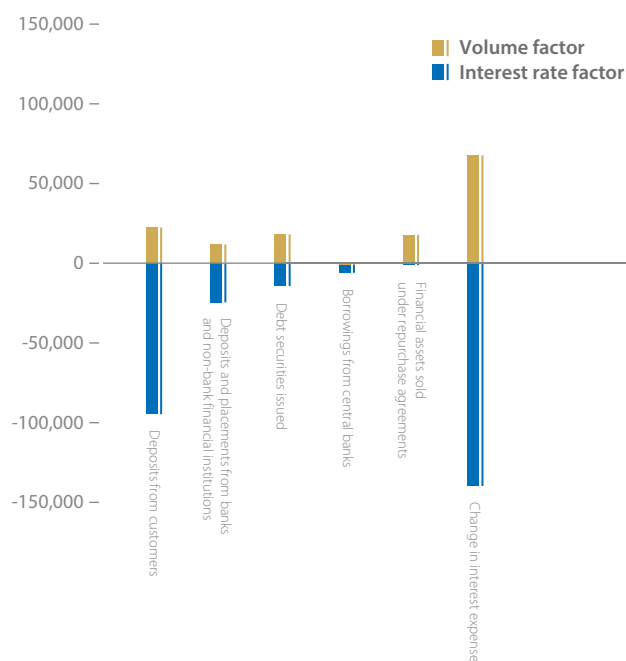
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Change in interest income (In millions of RMB)



Change in interest expense (In millions of RMB)



The following table sets forth the effects of the movement of average balances and average interest rates of the Group's assets and liabilities on the change in interest income and expense in 2025 as compared with 2024.

(In millions of RMB)	Volume factor ¹	Interest rate factor ¹	Change in interest income/expense
Assets			
Gross loans and advances to customers	62,646	(157,287)	(94,641)
Financial investments	45,944	(29,896)	16,048
Deposits with central banks	(1,150)	(1,915)	(3,065)
Deposits and placements with banks and non-bank financial institutions	3,669	(9,096)	(5,427)
Financial assets held under resale agreements	1,115	(2,325)	(1,210)
Change in interest income	112,224	(200,519)	(88,295)
Liabilities			
Deposits from customers	22,098	(94,267)	(72,169)
Deposits and placements from banks and non-bank financial institutions	11,535	(23,987)	(12,452)
Debt securities issued	17,864	(14,258)	3,606
Borrowings from central banks	(1,273)	(5,161)	(6,434)
Financial assets sold under repurchase agreements	17,505	(1,243)	16,262
Change in interest expense	67,729	(138,916)	(71,187)
Change in net interest income	44,495	(61,603)	(17,108)

1. Changes caused by both average balances and average interest rates were allocated to the volume factor and interest rate factor respectively based on the respective proportions of absolute values of volume factor and interest rate factor.

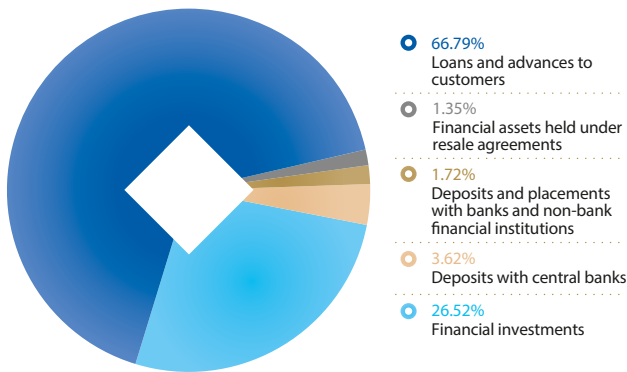
Net interest income decreased by RMB17,108 million from 2024. The movement of average balances of assets and liabilities pushed up net interest income by RMB44,495 million, while the movements of average yields and costs pushed down net interest income by RMB61,603 million.



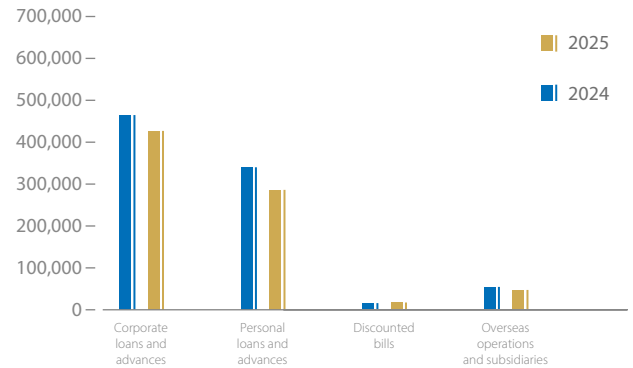
Interest Income

In 2025, the Group's interest income amounted to RMB1.15 trillion, a decrease of RMB88,295 million, or 7.11% from 2024. Interest income from loans and advances to customers, interest income from financial investments, interest income from deposits with central banks, interest income from deposits and placements with banks and non-bank financial institutions, and interest income from financial assets held under resale agreements accounted for 66.79%, 26.52%, 3.62%, 1.72% and 1.35% of the total, respectively.

Percentage of interest income



Structure of interest income from loans and advances to customers (In millions of RMB)



The following table sets forth the average balance, interest income and average yield of each component of the Group's loans and advances to customers during the respective periods.

(In millions of RMB, except percentages)	2025			2024		
	Average balance	Interest Income	Average yield (%)	Average balance	Interest Income	Average yield (%)
Domestic loans and advances of the Bank	26,223,139	724,883	2.76	24,338,681	812,900	3.34
By business type						
Corporate loans and advances	15,386,111	425,075	2.76	14,394,704	461,433	3.21
Personal loans and advances	9,004,913	284,007	3.15	8,736,992	337,928	3.87
Discounted bills	1,832,115	15,801	0.86	1,206,985	13,539	1.12
By term structure						
Short-term loans and advances	7,419,848	170,191	2.29	6,579,930	183,229	2.78
Medium to long-term loans and advances	18,803,291	554,692	2.95	17,758,751	629,671	3.55
Overseas operations and subsidiaries	941,317	45,378	4.82	889,560	52,002	5.85
Gross loans and advances to customers	27,164,456	770,261	2.84	25,228,241	864,902	3.43

Interest income from loans and advances to customers amounted to RMB770,261 million, a decrease of RMB94,641 million, or 10.94% from 2024, mainly due to the 59 basis points drop in the average yield of loans and advances to customers from 2024.

Interest income from financial investments amounted to RMB305,836 million, an increase of RMB16,048 million, or 5.54% over 2024, mainly due to the 16.97% increase in the average balance of financial investments over 2024.

Interest income from deposits with central banks amounted to RMB41,813 million, a decrease of RMB3,065 million, or 6.83% from 2024, mainly due to the seven basis points drop in the average yield and the 2.52% decrease in the average balance of deposits with central banks from 2024.

Interest income from deposits and placements with banks and non-bank financial institutions amounted to RMB19,801 million, a decrease of RMB5,427 million, or 21.51% from 2024, mainly due to the 93 basis points drop in the average yield of deposits and placements with banks and non-bank financial institutions from 2024.

Interest income from financial assets held under resale agreements amounted to RMB15,551 million, a decrease of RMB1,210 million, or 7.22% from 2024, mainly due to the 24 basis points drop in the average yield from 2024.



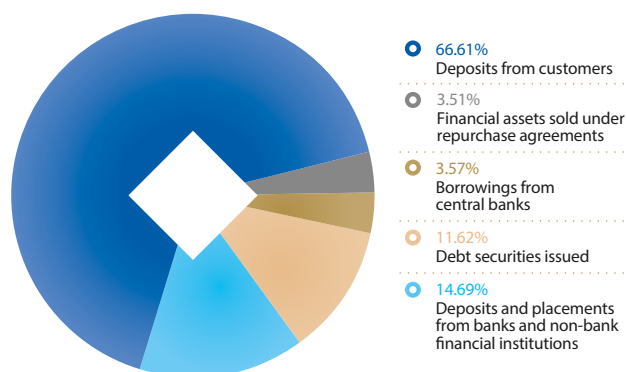
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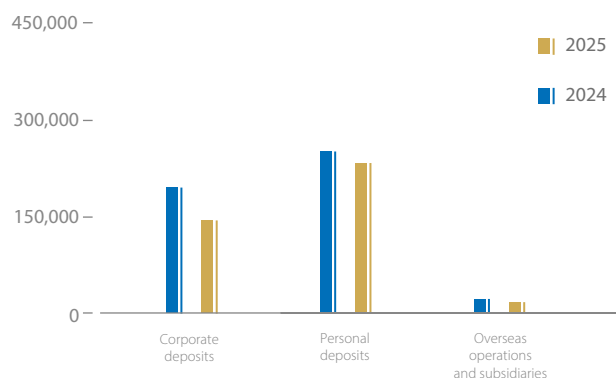
Interest Expense

In 2025, the Group's interest expense reached RMB580,488 million, a decrease of RMB71,187 million, or 10.92% from 2024. Specifically, interest expense on deposits from customers accounted for 66.61%, interest expense on deposits and placements from banks and non-bank financial institutions accounted for 14.69%, interest expense on debt securities issued accounted for 11.62%, interest expense on borrowings from central banks accounted for 3.57%, and interest expense on financial assets sold under repurchase agreements accounted for 3.51%.

Percentage of interest expense



Structure of interest expense on deposits from customers (In millions of RMB)



The following table sets forth the average balance, interest expense and average cost of each component of the Group's deposits from customers during the respective periods.

(In millions of RMB, except percentages)	2025			2024		
	Average balance	Interest Expense	Average cost (%)	Average balance	Interest Expense	Average cost (%)
Domestic deposits from customers	28,630,847	370,504	1.29	27,288,899	437,680	1.60
Corporate deposits	11,452,912	141,343	1.23	11,693,770	191,149	1.63
Demand deposits	6,117,916	33,825	0.55	6,174,056	52,646	0.85
Time deposits	5,334,996	107,518	2.02	5,519,714	138,503	2.51
Personal deposits	17,177,935	229,161	1.33	15,595,129	246,531	1.58
Demand deposits	5,864,074	3,795	0.06	5,612,605	10,179	0.18
Time deposits	11,313,861	225,366	1.99	9,982,524	236,352	2.37
Overseas operations and subsidiaries	581,402	16,155	2.78	547,974	21,148	3.86
Total deposits from customers	29,212,249	386,659	1.32	27,836,873	458,828	1.65

Interest expense on deposits from customers was RMB386,659 million, a decrease of RMB72,169 million, or 15.73% from 2024, mainly due to the 33 basis points drop in the average cost of deposits from customers from 2024.

Interest expense on deposits and placements from banks and non-bank financial institutions was RMB85,279 million, a decrease of RMB12,452 million, or 12.74% from 2024, mainly due to the 55 basis points drop in the average cost of deposits and placements from banks and non-bank financial institutions from 2024.

Interest expense on debt securities issued amounted to RMB67,466 million, an increase of RMB3,606 million, or 5.65% over 2024, mainly due to the 31.91% increase in the average balance of debt securities issued over 2024.

Interest expense on borrowings from central banks was RMB20,703 million, a decrease of RMB6,434 million, or 23.71% from 2024, mainly due to the 50 basis points drop in the average cost and the 4.88% decrease in the average balance of borrowings from central banks from 2024.

Interest expense on financial assets sold under repurchase agreements amounted to RMB20,381 million, an increase of RMB16,262 million over 2024, mainly due to the large increase in the average balance of financial assets sold under repurchase agreements over 2024.

**Net Non-Interest Income**

The following table sets forth the composition and change of the Group's net non-interest income during the respective periods.

(In millions of RMB, except percentages)	2025	2024	Change (%)
Fee and commission income	123,708	117,940	4.89
Fee and commission expense	(13,401)	(13,012)	2.99
Net fee and commission income	110,307	104,928	5.13
Other net non-interest income	57,790	33,760	71.18
Total net non-interest income	168,097	138,688	21.21

In 2025, the Group's net non-interest income reached RMB168,097 million, an increase of RMB29,409 million, or 21.21% over 2024. Net non-interest income accounted for 22.69% of operating income.

Net Fee and Commission Income

The following table sets forth the composition and change of the Group's net fee and commission income during the respective periods.

(In millions of RMB, except percentages)	2025	2024	Change (%)	2023
Fee and commission income	123,708	117,940	4.89	129,906
Settlement and clearing fees	36,500	36,705	(0.56)	37,637
Bank card fees	20,523	21,074	(2.61)	21,071
Commission on trust and fiduciary activities	16,272	17,057	(4.60)	18,389
Income from asset management business	15,341	8,581	78.78	10,680
Agency service fees	15,304	14,412	6.19	18,894
Consultancy and advisory fees	7,736	8,131	(4.86)	10,892
Others	12,032	11,980	0.43	12,343
Fee and commission expense	(13,401)	(13,012)	2.99	(14,160)
Net fee and commission income	110,307	104,928	5.13	115,746

In 2025, the Group's net fee and commission income was RMB110,307 million, an increase of RMB5,379 million, or 5.13% over 2024. The ratio of net fee and commission income to operating income was 14.89%, an increase of 0.49 percentage points over 2024. Specifically, income from asset management business reached RMB15,341 million, an increase of RMB6,760 million, or 78.78% over 2024, primarily driven by growth in wealth management products and fund management fees. Agency service fees amounted to RMB15,304 million, an increase of RMB892 million, or 6.19% over 2024, mainly due to increase in income from agency fund and bond underwriting businesses.



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Other Net Non-Interest Income

The following table sets forth the composition and change of the Group's other net non-interest income during the respective periods.

(In millions of RMB, except percentages)	2025	2024	Change (%)	2023
Net gain on derecognition of financial assets measured at amortised cost	17,593	3,991	340.82	946
Net gain/(loss) arising from investment securities	17,068	10,878	56.90	(222)
Dividend income	5,969	6,576	(9.23)	5,712
Net trading gain ¹	3,933	4,765	(17.46)	5,685
Other operating income, net ¹	13,227	7,550	75.19	515
Total other net non-interest income	57,790	33,760	71.18	12,636

1. In accordance with the Q&As on the Implementation of Accounting Treatment for Standard Warehouse Receipt Transactions and the Notice on Strictly Implementing Enterprise Accounting Standards and Ensuring the Quality of 2025 Annual Reports of Enterprises issued by the MOF, the Group has accordingly modified the presentation of warehouse receipt business since 2025, and adjusted related figures of 2024.

The Group's other net non-interest income was RMB57,790 million, an increase of RMB24,030 million, or 71.18% over 2024. Specifically, net gain on derecognition of financial assets measured at amortised cost was RMB17,593 million, an increase of RMB13,602 million over 2024, mainly due to the year-on-year increase in income from disposal of bond investments measured at amortised cost. Net gain arising from investment securities was RMB17,068 million, an increase of RMB6,190 million over 2024, mainly due to the year-on-year increase in gains on revaluation and trading of equity and bond investments as affected by factors such as market fluctuations and asset composition changes. Dividend income was RMB5,969 million, a decrease of RMB607 million from 2024. Net trading gain was RMB3,933 million, a decrease of RMB832 million from 2024. Other net operating income was RMB13,227 million, an increase of RMB5,677 million over 2024, mainly due to the year-on-year increase in gains related to foreign exchange business as affected by factors such as business changes and market fluctuations.

Operating Expenses

The following table sets forth the composition of the Group's operating expenses during respective periods.

(In millions of RMB, except percentages)	2025	2024	Change (%)	2023
Staff costs	136,646	133,760	2.16	128,023
Premises and equipment expenses	30,614	32,025	(4.41)	32,450
Taxes and surcharges	9,138	8,263	10.59	8,476
Others	50,827	49,731	2.20	51,203
Operating expenses	227,225	223,779	1.54	220,152
Cost-to-income ratio (%)	29.44	29.58	(0.14)	28.39

In 2025, the Group continued to reinforce total cost management and improve expense efficiency. Cost-to-income ratio was 29.44%, a drop of 0.14 percentage points from 2024, staying at a sound level. Operating expenses were RMB227,225 million, an increase of RMB3,446 million, or 1.54% over 2024. Specifically, staff costs were RMB136,646 million, an increase of RMB2,886 million, or 2.16% over 2024. Premises and equipment expenses were RMB30,614 million, a decrease of RMB1,411 million, or 4.41% from 2024, mainly due to the year-on-year decrease in depreciation charges. Taxes and surcharges were RMB9,138 million, an increase of RMB875 million, or 10.59% over 2024.

**Credit Impairment Losses**

The following table sets forth the composition of the Group's credit impairment losses during respective periods.

(In millions of RMB, except percentages)	2025	2024	Change (%)	2023
Loans and advances to customers	148,156	118,938	24.57	144,682
Financial investments	(78)	3,930	(101.98)	(7,842)
Financial assets measured at amortised cost	(1,326)	6,007	(122.07)	(7,468)
Financial assets measured at fair value through other comprehensive income	1,248	(2,077)	N/A	(374)
Off-balance sheet credit business	(5,087)	(4,838)	5.15	(6,109)
Others	(9,674)	2,670	(462.32)	6,043
Total credit impairment losses	133,317	120,700	10.45	136,774

In 2025, the Group's credit impairment losses were RMB133,317 million, an increase of RMB12,617 million, or 10.45% over 2024. This was mainly because impairment losses on loans and advances to customers increased by RMB29,218 million over 2024. Reversal from impairment losses on financial investments was RMB78 million. Specifically, reversal from impairment losses on financial assets measured at amortised cost was RMB1,326 million. Impairment losses on financial assets measured at fair value through other comprehensive income was RMB1,248 million. Reversal from impairment losses on off-balance sheet credit business was RMB5,087 million. Reversal from other credit impairment losses was RMB9,674 million.

Other Impairment Losses

In 2025, the Group's other impairment losses were RMB42 million, a decrease of RMB256 million from 2024.

Income Tax Expense

In 2025, the Group's income tax expense was RMB40,833 million, and its effective income tax rate was 10.73%, lower than the statutory rate of 25%. This was mainly because the Group continued to increase its investment in the PRC treasury bonds and local government bonds, and the interest income from the relevant bonds was tax-exempt as stipulated by the tax law.



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Analysis by Region

The following table sets forth the distribution of the Group's operating income by region for the periods indicated.

(In millions of RMB, except percentages)	2025		2024	
	Amount	% of total	Amount	% of total
Yangtze River Delta	124,200	16.76	122,892	16.87
Pearl River Delta	98,612	13.31	100,043	13.73
Bohai Rim	119,705	16.16	113,179	15.54
Central	108,162	14.60	115,499	15.85
Western	115,549	15.60	119,169	16.36
Northeastern	26,599	3.59	29,174	4.00
Head Office	122,780	16.57	107,971	14.82
Overseas	25,264	3.41	20,643	2.83
Operating income	740,871	100.00	728,570	100.00

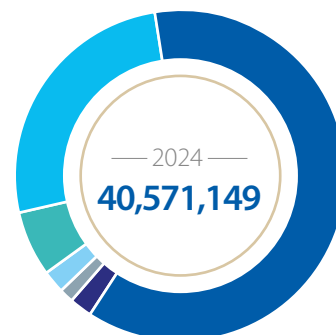
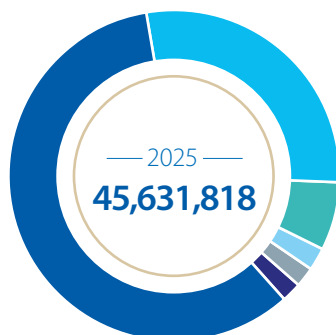
The following table sets forth the distribution of the Group's profit before tax by region for the periods indicated.

(In millions of RMB, except percentages)	2025		2024	
	Amount	% of total	Amount	% of total
Yangtze River Delta	69,912	18.37	75,300	19.59
Pearl River Delta	38,292	10.06	50,006	13.01
Bohai Rim	66,586	17.49	60,482	15.74
Central	51,720	13.59	54,036	14.06
Western	49,546	13.02	62,546	16.27
Northeastern	15,045	3.95	16,734	4.35
Head Office	75,169	19.75	55,551	14.45
Overseas	14,353	3.77	9,722	2.53
Profit before tax	380,623	100.00	384,377	100.00



STATEMENT OF FINANCIAL POSITION ANALYSIS

Assets



Period-end total assets of the Group (In millions of RMB)

The following table sets forth the composition of the Group's total assets as at the dates indicated.

(In millions of RMB, except percentages)	31 December 2025		31 December 2024		31 December 2023	
	Amount	% of total	Amount	% of total	Amount	% of total
Gross loans and advances to customers	27,772,827	60.86	25,843,294	63.70	23,861,600	62.26
Allowances for impairment losses at amortised cost	(846,037)	(1.85)	(802,894)	(1.98)	(778,223)	(2.03)
Net loans and advances to customers	26,926,790	59.01	25,040,400	61.72	23,083,377	60.23
Financial investments	12,897,352	28.26	10,683,963	26.33	9,638,276	25.15
Cash and deposits with central banks	3,054,199	6.69	2,571,361	6.34	3,066,058	8.00
Deposits and placements with banks and non-bank financial institutions	1,010,445	2.22	827,407	2.04	823,488	2.15
Financial assets held under resale agreements	856,818	1.88	622,559	1.53	979,498	2.55
Others ¹	886,214	1.94	825,459	2.04	734,129	1.92
Total assets	45,631,818	100.00	40,571,149	100.00	38,324,826	100.00

1. These comprise precious metals, positive fair value of derivatives, long-term equity investments, fixed assets, construction in progress, land use rights, intangible assets, goodwill, deferred tax assets and other assets.

At the end of 2025, the Group's total assets stood at RMB45.63 trillion, an increase of RMB5.06 trillion, or 12.47% over 2024. Net loans and advances to customers increased by RMB1.89 trillion, or 7.53% over 2024 as the Group actively promoted high-quality development of the real economy, and increased credit supply to key areas such as the "Five Priorities" in finance. Financial investments increased by RMB2.21 trillion, or 20.72% over 2024 as the Group supported implementation of proactive fiscal policies and increased investment in government bonds such as treasury bonds and local government bonds and the allocation of green bonds. At the end of 2025, short-term assets, such as cash and deposits with central banks, deposits and placements with banks and non-bank financial institutions, and financial assets held under resale agreements, increased due to reasonable and sufficient liquidity in the market. Accordingly, in the Group's total assets, the proportion of net loans and advances to customers decreased by 2.71 percentage points to 59.01%, that of financial investments increased by 1.93 percentage points to 28.26%, that of cash and deposits with central banks increased by 0.35 percentage points to 6.69%, that of deposits and placements with banks and non-bank financial institutions increased by 0.18 percentage points to 2.22%, and that of financial assets held under resale agreements increased by 0.35 percentage points to 1.88%.

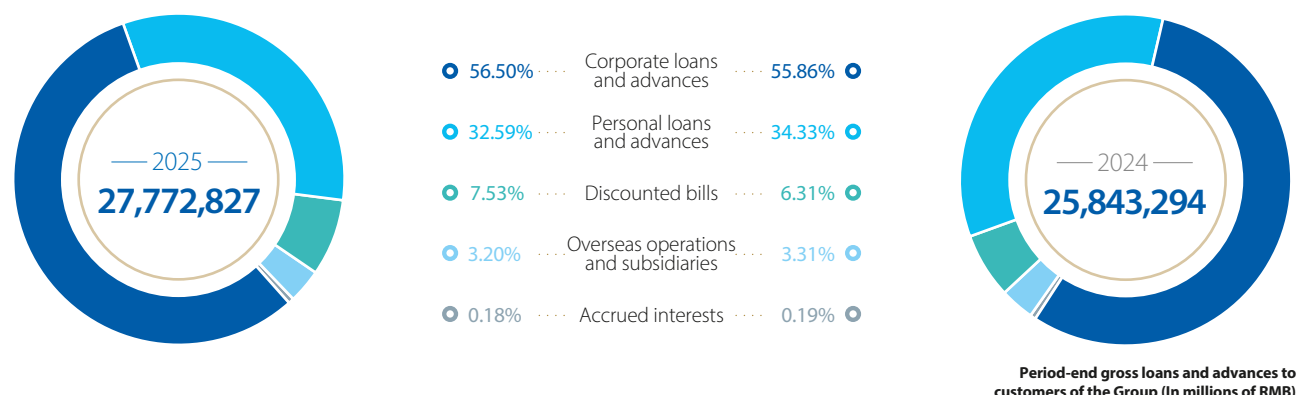


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Loans and Advances to Customers

At the end of 2025, the Group's gross loans and advances to customers stood at RMB27.77 trillion, an increase of RMB1.93 trillion, or 7.47% over 2024. On a product-type basis, the Group's corporate loans and advances totalled RMB16.47 trillion, personal loans and advances totalled RMB9.16 trillion, and discounted bills amounted to RMB2.09 trillion, with accrued interests of RMB50,971 million.



The following table sets forth the composition of the Group's gross loans and advances to customers as at the dates indicated.

(In millions of RMB, except percentages)	31 December 2025		31 December 2024		31 December 2023	
	Amount	% of total	Amount	% of total	Amount	% of total
Domestic loans and advances of the Bank	26,834,069	96.62	24,938,748	96.50	23,006,496	96.42
Corporate loans and advances	15,690,859	56.50	14,434,401	55.86	13,225,655	55.43
Short-term loans	4,235,650	15.25	4,014,375	15.54	3,594,305	15.06
Medium to long-term loans	11,455,209	41.25	10,420,026	40.32	9,631,350	40.37
Personal loans and advances	9,050,497	32.59	8,872,595	34.33	8,676,054	36.36
Residential mortgages	5,991,328	21.57	6,187,858	23.94	6,386,525	26.76
Personal business loans ¹	1,315,605	4.74	1,021,693	3.95	777,481	3.26
Credit card loans	1,009,100	3.63	1,065,883	4.13	997,133	4.18
Personal consumer loans	683,174	2.46	527,895	2.04	421,623	1.77
Other loans ²	51,290	0.19	69,266	0.27	93,292	0.39
Discounted bills	2,092,713	7.53	1,631,752	6.31	1,104,787	4.63
Overseas operations and subsidiaries	887,787	3.20	854,969	3.31	804,486	3.37
Accrued interests	50,971	0.18	49,577	0.19	50,618	0.21
Gross loans and advances to customers	27,772,827	100.00	25,843,294	100.00	23,861,600	100.00

1. These mainly include personal loans for production and operation purposes and online business loans.

2. These mainly include personal commercial property mortgage loans and home equity loans.

Domestic corporate loans and advances of the Bank reached RMB15.69 trillion, an increase of RMB1.26 trillion, or 8.70% over 2024. Specifically, short-term loans were RMB4.24 trillion, an increase of 5.51% over 2024, and medium to long-term loans were RMB11.46 trillion, an increase of 9.93% over 2024. For more details, please refer to "Business Review – Corporate Finance Business – Corporate Credit Business" in this report.



Domestic personal loans and advances of the Bank reached RMB9.05 trillion, an increase of RMB177,902 million, or 2.01% over 2024. Specifically, residential mortgages were RMB5.99 trillion, a decrease of RMB196,530 million, or 3.18% from 2024; personal business loans amounted to RMB1.32 trillion, an increase of RMB293,912 million, or 28.77% over 2024; credit card loans were RMB1.01 trillion, a decrease of RMB56,783 million, or 5.33% from 2024; personal consumer loans amounted to RMB683,174 million, an increase of RMB155,279 million, or 29.41% over 2024. For more details, please refer to “Business Review – Personal Finance Business – Personal Credit Business” in this report.

Discounted bills amounted to RMB2.09 trillion, an increase of RMB460,961 million, or 28.25% over 2024.

Loans and advances made by overseas operations and subsidiaries amounted to RMB887,787 million, an increase of RMB32,818 million, or 3.84% over 2024.

Distribution of loans and advances by region

The following table sets forth the distribution of the Group's loans and advances by region as at the dates indicated.

(In millions of RMB, except percentages)	31 December 2025		31 December 2024	
	Amount	% of total	Amount	% of total
Yangtze River Delta	5,772,902	20.79	5,240,886	20.29
Pearl River Delta	4,303,152	15.49	4,169,575	16.13
Bohai Rim	4,696,417	16.91	4,338,437	16.79
Central	4,727,097	17.02	4,290,781	16.60
Western	5,273,064	18.99	4,855,020	18.79
Northeastern	1,105,191	3.98	1,039,321	4.02
Head Office	1,101,691	3.97	1,142,742	4.42
Overseas	742,342	2.67	716,955	2.77
Accrued interests	50,971	0.18	49,577	0.19
Gross loans and advances to customers	27,772,827	100.00	25,843,294	100.00

Distribution of loans and advances by type of collateral

The following table sets forth the distribution of the Group's loans and advances by type of collateral as at the dates indicated.

(In millions of RMB, except percentages)	31 December 2025		31 December 2024	
	Amount	% of total	Amount	% of total
Unsecured loans	13,224,073	47.62	11,712,918	45.33
Guaranteed loans	3,653,253	13.15	3,244,331	12.55
Loans secured by property and other immovable assets	9,125,558	32.86	9,198,171	35.59
Other pledged loans	1,718,972	6.19	1,638,297	6.34
Accrued interests	50,971	0.18	49,577	0.19
Gross loans and advances to customers	27,772,827	100.00	25,843,294	100.00



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Allowances for impairment losses on loans and advances to customers

The following table sets forth the movements of the Group's allowances for impairment losses on loans and advances to customers measured at amortised cost as at the dates indicated.

(In millions of RMB)	2025			
	Stage 1	Stage 2	Stage 3	Total
1 January 2025	328,369	219,912	254,613	802,894
Transfers:				
Transfers in/(out) to Stage 1	22,161	(21,130)	(1,031)	–
Transfers in/(out) to Stage 2	(7,843)	10,646	(2,803)	–
Transfers in/(out) to Stage 3	(4,778)	(29,356)	34,134	–
Newly originated or purchased financial assets	173,272	–	–	173,272
Transfer out/repayment	(131,951)	(31,084)	(95,658)	(258,693)
Remeasurements	(50,430)	90,457	111,165	151,192
Write-offs	–	–	(38,581)	(38,581)
Recoveries of loans and advances written off	–	–	15,953	15,953
31 December 2025	328,800	239,445	277,792	846,037

The Group made provisions for impairment losses on loans in line with factors such as macro-economy and credit asset quality as required by the New Financial Instruments Standard. At the end of 2025, allowances for impairment losses on loans and advances to customers measured at amortised cost were RMB846,037 million. In addition, allowances for impairment losses on discounted bills at fair value through other comprehensive income were RMB2,575 million. The Group's allowances to NPLs and allowances to total loans were 233.15% and 3.06%, respectively.

The Group adopts a “three-stage” model for impairment based on changes in credit risk since initial recognition or by determining whether the financial instruments are credit-impaired, to estimate the expected credit losses (ECL). For stage 1, financial instruments with no significant increase in credit risk since initial recognition, impairment losses are measured as ECL for the next 12 months. For stage 2, financial instruments with significant increase in credit risk since initial recognition, but not yet credit-impaired, impairment losses are measured as lifetime ECL. For stage 3, financial instruments that are credit impaired on the balance sheet date, impairment losses are measured as lifetime ECL. The Group adhered to substantive risk judgement and sufficiently considered all reasonable and supportable information when assessing whether the credit risk of a financial instrument has increased significantly since initial recognition. The measurement of ECL requires consideration of forward-looking information. The Group developed specific scenarios for ECL measurement by reference to forecast of authoritative institutions at home and abroad and leveraging the capability of internal experts. The Group calculated ECL as the weighted average of the products of probability of defaults (PD), loss given defaults (LGD) and exposure at default (EAD) under the optimistic, baseline and pessimistic scenarios, having considered the discount factor. Please refer to Note “Loans and advances to customers” to the financial statements for details of allowances for impairment losses on loans and advances to customers.



Financial Investments

The following table sets forth the composition of the Group's financial investments by measurement as at the dates indicated.

(In millions of RMB, except percentages)	31 December 2025		31 December 2024	
	Amount	% of total	Amount	% of total
Financial assets measured at fair value through profit or loss	874,994	6.78	612,504	5.73
Financial assets measured at amortised cost	7,739,652	60.01	7,429,723	69.54
Financial assets measured at fair value through other comprehensive income	4,282,706	33.21	2,641,736	24.73
Financial investments	12,897,352	100.00	10,683,963	100.00

For further details on financial instruments measured at fair value, please refer to Note "Risk management – Fair value of financial instruments" to the financial statements.

The following table sets forth the composition of the Group's financial investments by nature as at the dates indicated.

(In millions of RMB, except percentages)	31 December 2025		31 December 2024	
	Amount	% of total	Amount	% of total
Debt securities	12,430,645	96.38	10,314,957	96.55
Equity instruments, funds and others	466,707	3.62	369,006	3.45
Financial Investments	12,897,352	100.00	10,683,963	100.00

At the end of 2025, the Group's financial investments totalled RMB12.90 trillion, an increase of RMB2.21 trillion, or 20.72% over 2024. Specifically, debt securities increased by RMB2.12 trillion, or 20.51%, and accounted for 96.38% of total financial investments, down 0.17 percentage points on the same calculation basis from 2024; equity instruments, funds and others increased by RMB97,701 million, and accounted for 3.62% of total financial investments, up 0.17 percentage points on the same calculation basis over 2024.

Debt securities

The following table sets forth the composition of the Group's debt instruments by currency as at the dates indicated.

(In millions of RMB, except percentages)	31 December 2025		31 December 2024	
	Amount	% of total	Amount	% of total
RMB	11,839,548	95.25	9,948,015	96.44
USD	316,454	2.55	220,455	2.14
HKD	119,922	0.96	54,674	0.53
Other foreign currencies	154,721	1.24	91,813	0.89
Debt securities	12,430,645	100.00	10,314,957	100.00

At the end of 2025, total investments in Renminbi denominated debt securities were RMB11.84 trillion, an increase of RMB1.89 trillion, or 19.01% on the same calculation basis over 2024. Total investments in foreign currencies denominated debt securities were RMB591,097 million, an increase of RMB224,155 million, or 61.09% on the same calculation basis over 2024.



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The following table sets forth the composition of the Group's debt instruments by issuer as at the dates indicated.

(In millions of RMB, except percentages)	31 December 2025		31 December 2024	
	Amount	% of total	Amount	% of total
Government	9,979,286	80.28	8,245,893	79.94
Banks and non-bank financial institutions	1,019,464	8.20	675,419	6.55
Policy banks	810,635	6.52	1,016,452	9.85
Enterprises	551,041	4.43	329,113	3.19
Central banks	70,219	0.57	48,080	0.47
Debt securities	12,430,645	100.00	10,314,957	100.00

At the end of 2025, government bonds held by the Group amounted to RMB9.98 trillion, an increase of RMB1.73 trillion, or 21.02% on the same calculation basis over 2024. Financial debt securities held by the Group amounted to RMB1.83 trillion, an increase of RMB138,228 million, or 8.17% on the same calculation basis over 2024. Specifically, financial debt securities issued by banks and non-bank financial institutions amounted to RMB1.02 trillion, and financial debt securities issued by policy banks were RMB810,635 million, accounting for 55.71% and 44.29% of financial debt securities, respectively.

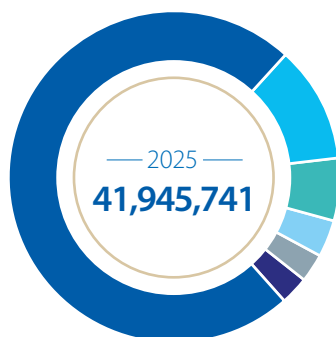
The following table sets forth the top ten financial debt securities held by the Group by par value at the end of the reporting period.

(In millions of RMB, except percentages)	Par value	Annual interest rate (%)	Maturity date	Allowances for impairment losses ¹
Policy bank bond issued in 2019	18,930	3.75	2029-01-25	–
Policy bank bond issued in 2020	16,460	3.74	2030-11-16	–
Policy bank bond issued in 2019	16,220	3.86	2029-05-20	–
Commercial bank bond issued in 2025	15,000	1.85	2028-02-28	–
Policy bank bond issued in 2025	14,489	1.59	2030-05-13	–
Policy bank bond issued in 2020	14,020	2.96	2030-04-17	–
Policy bank bond issued in 2021	13,330	3.48	2028-02-04	–
Policy bank bond issued in 2019	13,180	3.48	2029-01-08	–
Policy bank bond issued in 2021	12,470	3.52	2031-05-24	–
Policy bank bond issued in 2025	11,760	1.47	2028-02-14	–

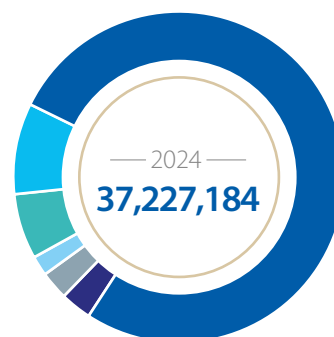
1. Excluding Stage 1 allowances for impairment losses made in accordance with the ECL model.

Reposessed Assets

As part of its effort to recover impaired loans and advances to customers, the Group may take over the ownership of underlying assets, through legal actions or voluntary transfer from borrowers, guarantors or third parties, as compensation for losses on loans and advances and interest receivable. At the end of 2025, the Group's reposessed assets were RMB887 million, and impairment allowances for reposessed assets were RMB716 million. Please refer to Note "Other assets" to the financial statements for details.

**Liabilities**

73.51%	Deposits from customers	77.13%
11.41%	Deposits and placements from banks and non-bank financial institutions	8.91%
6.18%	Debt securities issued	6.41%
3.56%	Financial assets sold under repurchase agreements	1.99%
2.62%	Borrowings from central banks	2.53%
2.72%	Other liabilities	3.03%



Period-end total liabilities of the Group (In millions of RMB)

The following table sets forth the composition of the Group's total liabilities as at the dates indicated.

(In millions of RMB, except percentages)	31 December 2025		31 December 2024		31 December 2023	
	Amount	% of total	Amount	% of total	Amount	% of total
Deposits from customers	30,835,574	73.51	28,713,870	77.13	27,654,011	78.67
Deposits and placements from banks and non-bank financial institutions	4,787,174	11.41	3,315,766	8.91	3,199,788	9.10
Debt securities issued	2,593,524	6.18	2,386,595	6.41	1,895,735	5.39
Financial assets sold under repurchase agreements	1,490,932	3.56	739,918	1.99	234,578	0.67
Borrowings from central banks	1,096,307	2.62	942,594	2.53	1,155,634	3.29
Other liabilities ¹	1,142,230	2.72	1,128,441	3.03	1,013,006	2.88
Total liabilities	41,945,741	100.00	37,227,184	100.00	35,152,752	100.00

1. These comprise financial liabilities measured at fair value through profit or loss, negative fair value of derivatives, accrued staff costs, taxes payable, provisions, deferred tax liabilities and other liabilities.

The Group has systematically established a liability quality management system commensurate with the size and complexity of its liabilities, clarified the governance system and organisational structure for liability quality management, and formulated and implemented whole-process liability quality management strategies and rules covering planning, monitoring, measurement, assessment, control, and reporting. It has established a matrix of liability management indicators that met regulatory requirements and the Group's risk appetite, to continuously improve its liability quality management.

In 2025, the Group adhered to the principle of prudent operation, continued to consolidate the foundation for business development, and promoted high-quality development of liability business. It paid close attention to changes in the form of customer funds, achieved sound and steady development of core liability business by consolidating the foundation for deposit development, and maintained stable sources of liabilities. It continued to optimise liability structure by establishing diversified financing channels and a decentralised and balanced customer structure, and increased the diversity of liability structure. It adhered to the system concept, made overall arrangements for total amount and structure of the source and use of funds, implemented sound and prudent liquidity management strategy, and promoted the sound and coordinated development of assets and liabilities. It cultivated the ability to proactively assume liabilities, and reasonably arranged the size and timing of issuance of various debt instruments based on the strategic arrangement of assets and liabilities and market price trends, to continuously improve market-oriented financing capabilities. It adhered to the principle of balanced development of volume and pricing, actively implemented the market-based adjustment mechanism for deposit interest rates, dynamically adjusted the internal and external fund pricing mechanism, so as to effectively control the costs of liabilities. It adhered to the concept of compliance, and strengthened management and supervision of liability transactions, accounting, and data statistics, to ensure that liability businesses comply with regulatory requirements. During the reporting period, the Group's regulatory indicators, including liquidity coverage ratio, net stable funding ratio and liquidity ratio, constantly met regulatory requirements. For details of the indicators, please refer to "Management Discussion and Analysis – Risk Management – Liquidity Risk Management". Indicators related to the quality of liabilities were stable on the whole, with steady improvement in the Group's liability quality management.

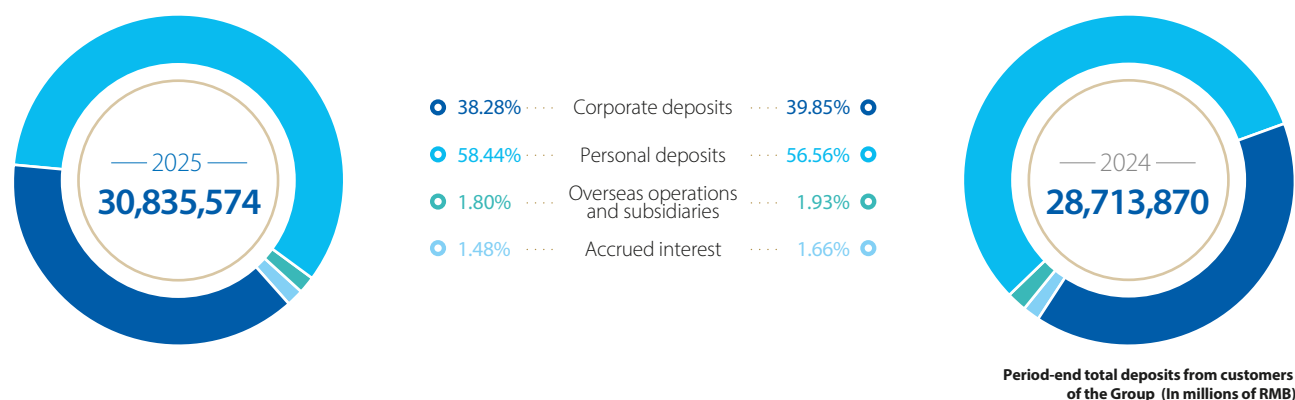


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The Group continued to attract low-cost funds, diversified funding sources, and optimised liability structure to enhance its liability quality management. At the end of 2025, the Group's total liabilities were RMB41.95 trillion, an increase of RMB4.72 trillion, or 12.68% over 2024, largely matching the growth of assets. Specifically, deposits from customers were RMB30.84 trillion, an increase of RMB2.12 trillion, or 7.39% over 2024. Deposits and placements from banks and non-bank financial institutions amounted to RMB4.79 trillion, an increase of RMB1.47 trillion, or 44.38% over 2024, mainly due to the increase of RMB1.45 trillion in deposits from banks and non-bank financial institutions. Debt securities issued were RMB2.59 trillion, an increase of RMB206,929 million, or 8.67% over 2024, mainly due to expanded issuance of diversified financing instruments such as interbank certificates of deposits and financial debt securities to diversify portfolios of liabilities. Financial assets sold under repurchase agreements were RMB1.49 trillion, an increase of RMB751,014 million over 2024. Borrowings from central banks were RMB1.10 trillion, an increase of RMB153,713 million over 2024. Accordingly, in the Group's total liabilities, the proportion of deposits from customers fell by 3.62 percentage points to 73.51%, that of deposits and placements from banks and non-bank financial institutions rose by 2.50 percentage points to 11.41%, that of debt securities issued dropped by 0.23 percentage points to 6.18%, that of financial assets sold under repurchase agreements rose by 1.57 percentage points to 3.56%, and that of borrowings from central banks rose by 0.09 percentage points to 2.62%.

Deposits from Customers



The following table sets forth the Group's deposits from customers by product type as at the dates indicated.

(In millions of RMB, except percentages)	31 December 2025		31 December 2024		31 December 2023	
	Amount	% of total	Amount	% of total	Amount	% of total
Domestic deposits from customers	29,823,277	96.72	27,683,928	96.41	26,724,019	96.63
Corporate deposits	11,803,642	38.28	11,442,643	39.85	11,858,660	42.88
Demand deposits	6,407,592	20.78	6,358,647	22.14	6,471,218	23.40
Time deposits	5,396,050	17.50	5,083,996	17.71	5,387,442	19.48
Personal deposits	18,019,635	58.44	16,241,285	56.56	14,865,359	53.75
Demand deposits	6,246,796	20.26	5,825,022	20.29	5,551,678	20.07
Time deposits	11,772,839	38.18	10,416,263	36.27	9,313,681	33.68
Overseas operations and subsidiaries	557,321	1.80	554,644	1.93	499,285	1.81
Accrued interest	454,976	1.48	475,298	1.66	430,707	1.56
Total deposits from customers	30,835,574	100.00	28,713,870	100.00	27,654,011	100.00

The Group deepened systematic and networked customer acquisition and deposit growth, and enhanced the capability to stabilise and increase deposits, promoting high-quality development of liability business. At the end of 2025, domestic personal deposits of the Bank were RMB18.02 trillion, an increase of RMB1.78 trillion, or 10.95% over 2024, and accounted for 60.42% of domestic deposits from customers, up 1.75 percentage points, seeing a continuously rising contribution from personal deposits. Domestic corporate deposits of the Bank were RMB11.80 trillion, an increase of RMB360,999 million, or 3.15% over 2024, and accounted for 39.58% of domestic deposits from customers, down 1.75 percentage points. Deposits from overseas operations and subsidiaries amounted to RMB557,321 million, and accounted for 1.80% of total deposits from customers. Domestic time deposits amounted to RMB17.17 trillion, an increase of RMB1.67 trillion, or 10.77% over 2024; domestic demand deposits were RMB12.65 trillion, an increase of RMB470,719 million, or 3.86% over 2024.



Distribution of deposits by region

The following table sets forth the distribution of the Group's deposits by region as at the dates indicated.

(In millions of RMB, except percentages)	31 December 2025		31 December 2024	
	Amount	% of total	Amount	% of total
Yangtze River Delta	5,563,983	18.04	5,239,658	18.25
Pearl River Delta	4,291,231	13.92	4,139,205	14.41
Bohai Rim	5,852,260	18.98	5,387,852	18.76
Central	5,908,669	19.16	5,357,116	18.66
Western	6,096,389	19.77	5,601,417	19.51
Northeastern	2,134,904	6.92	1,977,185	6.89
Head Office	14,912	0.05	15,339	0.05
Overseas	518,250	1.68	520,800	1.81
Accrued interests	454,976	1.48	475,298	1.66
Deposits from customers	30,835,574	100.00	28,713,870	100.00

Total Equity

The following table sets forth the Group's total equity and its composition as at the dates indicated.

(In millions of RMB)	31 December 2025	31 December 2024
Share capital	261,600	250,011
Other equity instruments	199,977	159,977
Preference shares	59,977	59,977
Perpetual bonds	140,000	100,000
Capital reserve	229,113	135,736
Other comprehensive income	20,566	57,901
Surplus reserve	434,687	402,196
General reserve	587,051	534,591
Retained earnings	1,930,417	1,781,715
Total equity attributable to equity shareholders of the Bank	3,663,411	3,322,127
Non-controlling interests	22,666	21,838
Total equity	3,686,077	3,343,965

At the end of 2025, the Group's total equity was RMB3.69 trillion, an increase of RMB342,112 million, or 10.23% over 2024, mainly due to the increase of RMB104,966 million in share capital and capital reserve driven by the issuance of A-shares to specific target to replenish Common Equity Tier 1 capital, and the increase of RMB148,702 million in retained earnings over 2024.



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Off-balance Sheet Items

The Group's off-balance sheet items include agency investment and financing services, intermediary services, derivatives, commitments and contingent liabilities. Agency investment and financing services mainly include asset management products and entrusted loans. For details of entrusted loans, please refer to Note "Entrusted lending business" to the financial statements. Intermediary services mainly include assets under custody and agency services. Derivatives mainly include interest rate contracts, exchange rate contracts, precious metals and commodity contracts. For details on the nominal amounts and fair value of derivatives, please refer to Note "Derivatives and hedge accounting" to the financial statements. Commitments and contingent liabilities mainly include credit commitments, capital commitments, government bond redemption obligations, and outstanding litigations and disputes. Specifically, credit commitments were the largest component, including undrawn loan facilities which were approved and contracted, unused credit card limits, financial guarantees, and letters of credit. At the end of 2025, the balance of credit commitments was RMB4.20 trillion, an increase of RMB231,410 million, or 5.84% over 2024. Please refer to Note "Commitments and contingent liabilities" to the financial statements for details.

In 2025, the Group continued to adhere to the philosophy of prudent and compliant operations, firmly upholding the bottom line of compliance development and resolutely implementing regulatory requirements. In accordance with the three principles of "full management coverage, categorised management and risk-based approach", it clarified off-balance sheet business development strategies and targets, implemented categorised business management, and tilted resources towards capital-light and high-return products. It focused on the balance between capital occupation and gains, constantly promoted product structure optimisation, created value through services, and fostered a benign cycle and sustainable growth for its business. The Group constantly cemented the foundation for off-balance sheet business development, strengthened the linkage of on- and off-balance sheet products, remained committed to serving the real economy, reinforced the concept of refined capital management, and hit new heights in the intensified use of capital.

Analysis by Region

The following table sets forth the distribution of the Group's assets by region as at the dates indicated.

(In millions of RMB, except percentages)	31 December 2025		31 December 2024	
	Amount	% of total	Amount	% of total
Yangtze River Delta	7,730,010	16.94	7,128,774	17.57
Pearl River Delta	5,475,521	12.00	5,407,253	13.33
Bohai Rim	8,946,032	19.60	8,073,824	19.90
Central	6,241,522	13.68	5,722,043	14.10
Western	6,417,098	14.06	6,039,426	14.89
Northeastern	2,190,314	4.80	2,106,273	5.19
Head Office	16,776,777	36.77	13,482,870	33.23
Overseas	1,881,841	4.12	1,793,173	4.42
Deferred tax assets and elimination	(10,027,297)	(21.97)	(9,182,487)	(22.63)
Total assets	45,631,818	100.00	40,571,149	100.00



ANALYSIS ON CASH FLOW STATEMENTS

Cash from Operating Activities

Net cash from operating activities was RMB2.10 trillion, an increase of RMB1.76 trillion over 2024, mainly due to the large increase in net increase in deposits from customers and from banks and non-bank financial institutions.

Cash Used in Investing Activities

Net cash used in investing activities was RMB1.76 trillion, an increase of RMB1.07 trillion over 2024, mainly due to the large increase in purchase of investment securities.

Cash from Financing Activities

Net cash from financing activities was RMB163,790 million, an increase of RMB170,988 million over 2024, mainly due to the large increase in cash proceeds from issue of shares.

OTHER FINANCIAL INFORMATION

Significant Accounting Policies and Accounting Estimates

Please refer to Note "Significant accounting policies and accounting estimates" to financial statements for details of the Group's significant accounting estimates and judgements.

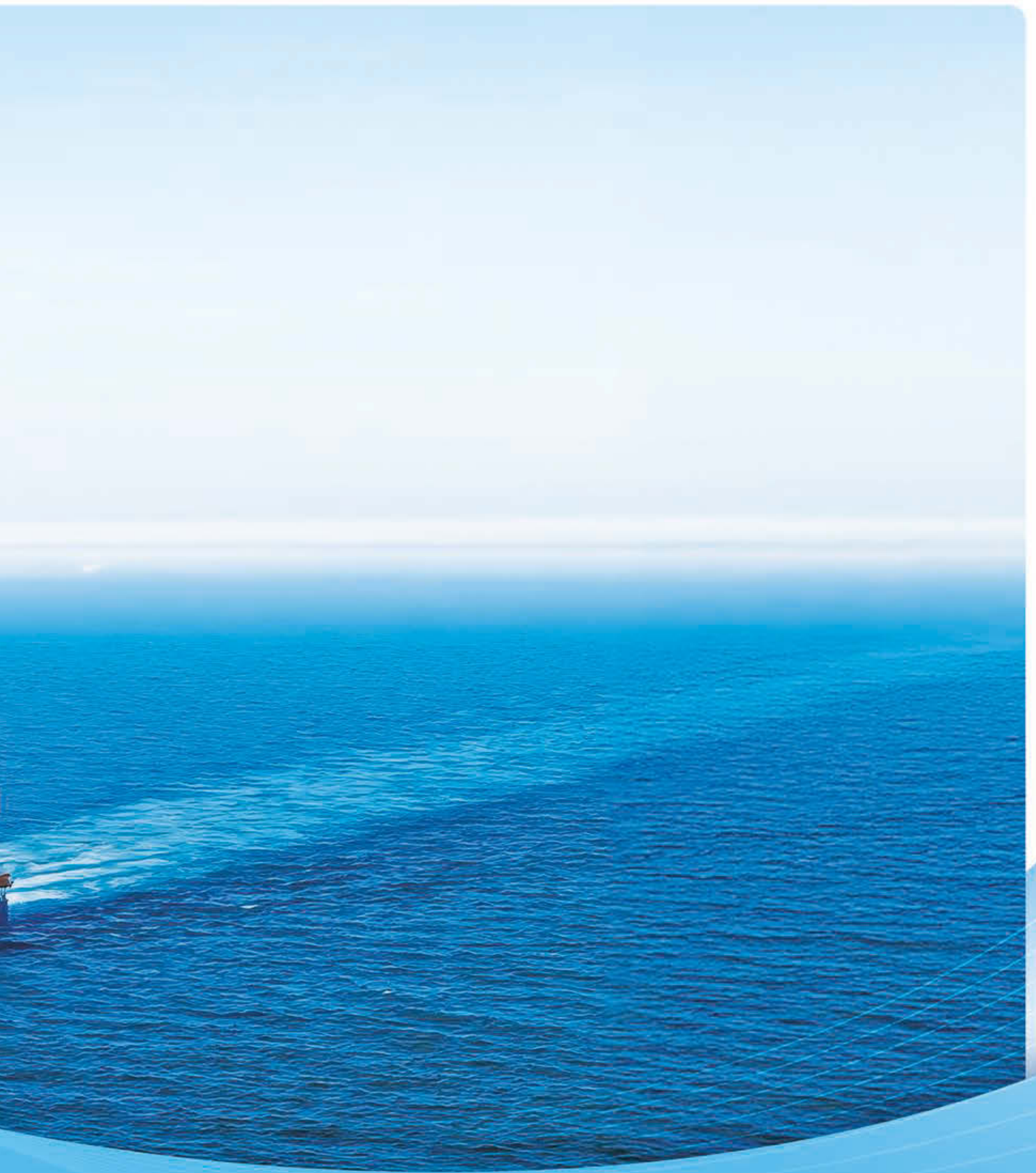
Differences between the Financial Statements Prepared under PRC GAAP and Those Prepared under IFRS

There is no difference in net profit for 2025 or total equity as at 31 December 2025 between the Group's consolidated financial statements prepared under PRC GAAP and those prepared under IFRS.



Born for and Thrives on Infrastructure Construction

We have created the “Shanjian Strong Infrastructure” service brand to comprehensively expand infrastructure services covering “land, sea, air, digital networks, roads, bridges, and water”. We are committed to supporting a modern infrastructure system and continuously enhancing our capabilities in serving national construction.



Note:

The Bank's Tianjin Branch delivers premium finance services to meet corporate needs, facilitating the smooth delivery of self-elevating and self-propelled offshore platform.



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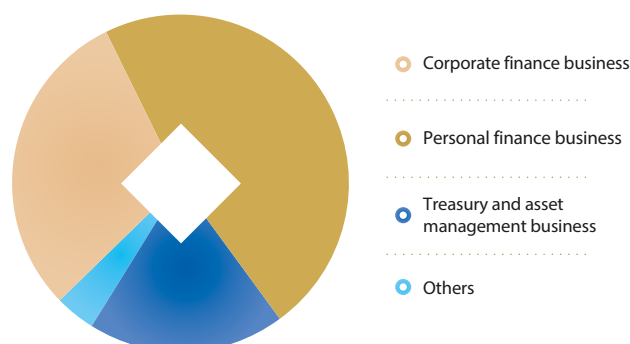
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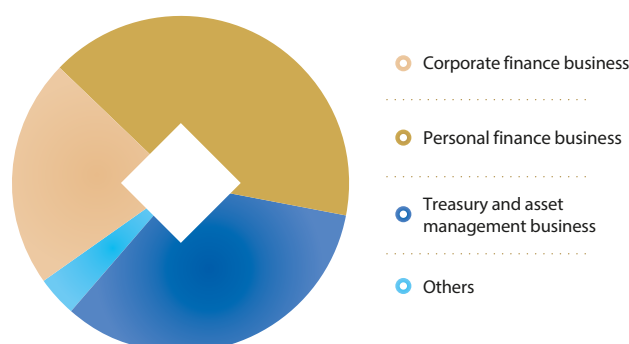
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The Group's major business segments are corporate finance business, personal finance business, treasury and asset management business, and others including overseas business.

The proportion of operating income of the Group's business segments in 2025



The proportion of profit before tax of the Group's business segments in 2025



The following table sets forth, for the periods indicated, the operating income and profit before tax of each major business segment.

(In millions of RMB)	Operating income		Profit before tax	
	2025	2024	2025	2024
Corporate finance business	227,239	227,501	84,459	101,144
Personal finance business	343,551	359,413	154,612	173,489
Treasury and asset management business	143,542	118,970	127,803	102,009
Others	26,539	22,686	13,749	7,735
Total	740,871	728,570	380,623	384,377

In 2025, operating income of the Group's corporate finance business was RMB227,239 million, and profit before tax was RMB84,459 million, accounting for 22.19% of the Group's profit before tax. Operating income of personal finance business was RMB343,551 million, and profit before tax totalled RMB154,612 million, accounting for 40.62% of the Group's profit before tax. Operating income of treasury and asset management business reached RMB143,542 million, and profit before tax totalled RMB127,803 million, accounting for 33.58% of the Group's profit before tax. Operating income of others totalled RMB26,539 million, and profit before tax totalled RMB13,749 million.



Special Column

Progress in the “Five Priorities” in finance

Technology finance

The Group focused on addressing the pain points and challenges in the integration of sci-tech innovation and industrial innovation to serve the development of new quality productive forces. The Group developed a systematic and integrated work plan to advance technology finance, establishing a five-pronged technology finance system encompassing customer services, business processes, products and channels, organisational structure, and performance evaluation, and comprehensively promoted its implementation. Centring on the cultivation of sci-tech talent, sci-tech innovation, commercialisation of sci-tech achievements, development of sci-tech industries, and management of sci-tech innovation ecosystem, the Bank spared no efforts to serve sci-tech innovation entities, including sci-tech enterprises, technology parks, research institutions, government bodies for science and technology, and sci-tech professionals.

The Group refined its customer service system for both technologies and enterprises throughout their entire lifecycle. It served sci-tech innovation by innovating and optimising technology R&D loans, so as to meet the long-term R&D funding needs of high-quality enterprises and fully support major national sci-tech projects and breakthroughs in key and core technologies. It facilitated the commercialisation of research outcomes by innovating and optimising technology transformation loans, actively boosting the journey of sci-tech achievements in emerging fields from the laboratory to the market. Focusing on the financing difficulties of small and micro sci-tech enterprises, the Group strengthened the promotion and application of credit products such as “Shanxindai” and “Shankedai”. It innovated and optimised “Technology Easy Loan” to ensure seamless service after small and micro enterprises grew into medium-sized enterprises. It continued to promote the internal valuation method for intellectual property (“IP”) pledge financing, using IP for credit enhancement to support growth-stage sci-tech enterprises. Notably, three invention patents related to “Technology Flow” sci-tech innovation evaluation were granted by the China National Intellectual Property Administration. Furthermore, the Group strengthened the application of supply chain finance, technology M&A loans, and loans for share repurchase and increase in shareholding to serve mature-stage sci-tech enterprises.

The Group continued to refine the building of specialised institutions for technology finance. It has established a five-tier, coordinated structure of specialised technology finance institutions. Specifically, at the head office level, it set up a Technology Finance Department (Tier-2 department). At the branch level, it set up Technology Finance Innovation Centres within Tier-1 branches in key regions, established Technology Finance Direct Operation Centres in selected key Tier-2 branches, and set up specialised sub-branches with technology features in areas rich in sci-tech resources. It also encouraged the subsidiaries to actively integrate into the development of the Group’s technology finance business, harnessing the collective strength of the Group to fully serve the building of China’s strength in science, technology, and finance.

The Group developed an integrated technology finance product and service model. It built a technology finance ecosystem centred on the comprehensive financial services covering equity, loan, bond, insurance and leasing. It developed a group-level “Shanjian Technology” technology finance service platform, and created a new online service ecosystem featuring one-stop service, instant response, and user-friendly operation, providing full-cycle comprehensive financial services for sci-tech innovation entities. At the end of 2025, loans to sci-tech enterprises amounted to RMB5.25 trillion, an increase of RMB834,168 million or 18.91% over 2024. During the year, the Group acted as underwriter for 106 issuers on 182 batches of sci-tech innovation bonds, with an underwriting volume of RMB71,984 million, an increase of 282.43% over 2024. It continued to press ahead with the pilot business for equity investments via asset investment company (AIC). By the end of 2025, it had cumulatively established 28 AIC equity investment pilot funds.



● The Bank’s Guizhou Branch provided credit support for Guizhou Yunshang Kunpeng Technology Co., Ltd. to manufacture domestic computer equipment.



● The employee of Sinovision Technology (Beijing) Co., Ltd., supported by the Bank’s Beijing Branch, works in the CT equipment workshop.



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Green finance

Adhering to the vision of “becoming a world-leading sustainability bank”, the Group incorporated the green concept into its operation management, strategic development and corporate culture, and created a diversified service system covering green loans, green bonds, green investments and green finance lease.

In 2025, the Bank maintained its MSCI ESG rating of AAA with its sustainability performance recognised by the market. The Bank's green loans amounted to RMB6.00 trillion, an increase of RMB1,022,762 million, or 20.54% over the beginning of the year. Adhering to the investment philosophy of “Responsibility + Value”, the Bank continued to consolidate the responsible investment system of its proprietary bond investment portfolio, and channelled more resources into key areas that contribute to green and sustainable development of the real economy and high-quality issuers with better ESG performance. By the end of 2025, the Bank's bond investment portfolio had invested more than RMB270 billion in green sectors, and the average external ESG rating of issuers within the portfolio had consistently exceeded market average.

The Bank focused on investment and financing needs of green and low-carbon transformation, and innovated diversified green financing channels. In 2025, the Bank issued green finance bonds of RMB60 billion in the domestic market, and offshore Renminbi green bonds of US\$1.5 billion and RMB2 billion in the overseas market. It participated in underwriting 164 batches of green and sustainability bonds issued onshore and offshore, with a total issuance volume equivalent to RMB499,722 million, an increase of 168.11% over the same period last year.

The Bank actively promoted the development of green investment and financing business of its subsidiaries. The balance of green leasing assets of CCB Financial Leasing was RMB47,167 million, accounting for 66.34% of its general leasing business, an increase of nearly 6.8 percentage points over the beginning of the year. CCB Financial Leasing also issued a 3-year floating-rate senior unsecured green bond of USD800 million in 2025. CCB Investment had implemented green investment projects of RMB43.5 billion on cumulative basis, covering key areas of green industries such as wind power, photovoltaic, hydropower, environmental protection, nuclear power and new energy vehicles. CCB Principal Asset Management had made equity investment of RMB28,576 million on a cumulative basis in sectors including clean energy, energy conservation and environmental protection, clean production, infrastructure green upgrading, ecological environment, and green services.



- The Bank's Qinghai Branch provided diversified green financing support for the clean energy industry in Hainan Prefecture. The photo shows the Talatan Ecological Photovoltaic Park in Hainan Prefecture, Qinghai Province.



- The Bank's Hunan Branch has partnered with Changsha Water Industry Group for over 20 years, providing loans with an accumulative amount of nearly RMB1.5 billion to support livelihood projects such as water source construction and waste water treatment. The photo shows the operation of water source construction and waste water treatment equipment at Changsha Water Industry Group.



Focusing on key areas and weak links in social and economic development, the Group continued to improve its inclusive finance service model and enhance product suitability and customer satisfaction in light of characteristics and needs of inclusive finance customer groups, such as small and micro businesses, individual business owners, agriculture-related customers, sci-tech enterprises, as well as upstream and downstream customers in the supply chains. It was awarded the “Best SME Bank in China” by *The Asian Banker* for two consecutive years.

Inclusive finance

The Group expanded the coverage of inclusive finance services. At the end of 2025, the Bank's inclusive loans granted to small and micro businesses amounted to RMB3.83 trillion, an increase of RMB421,644 million or 12.37% over 2024. The number of loan borrowers increased by 329.8 thousand over 2024 to 3.69 million. It continued to promote service fee reduction and exemption, and the interest rate of inclusive loans granted to small and micro businesses in 2025 was 3.10%, a decrease of 0.44 percentage points from 2024. It strengthened the building of its intelligent risk control system to ensure steady improvement in credit asset quality.

The Group promoted deep integration of online and offline services. “CCB Huidongni” platform provided integrated ecological services, covering credit financing, comprehensive financial solutions and business management, to meet the needs of inclusive finance customer groups throughout the entire life cycle of enterprises. “CCB Huidongni” platform became more effective in traffic attraction and customer acquisition. By the end of 2025, the platform had attracted 532 million visits, and been downloaded 47.33 million times, with 26.6 million registered personal users and 15.74 million certified enterprise users, leading to services for 3.17 million corporate settlement customers, 1.48 million agency tax payment customers and 558.8 thousand payroll disbursement customers on a cumulative basis. The Bank had nearly 14 thousand outlets that can provide inclusive finance services, more than 24 thousand inclusive finance specialists, and more than 2.9 thousand featured inclusive finance outlets.

The Group strengthened the operations of inclusive finance customers. It increased efforts in serving small and micro sci-tech enterprises, and leveraged patent valuation platform tools such as “sci-tech innovation radar” to promote exclusive loan products for small and micro sci-tech enterprises such as “Shanxindai” and “Shankedai”, the balance of which exceeded RMB160 billion, with a growth rate of over 50%. It intensified financial input for rural households, leveraged the “Yunongtong” APP's role as the main portal for rural loans, and improved the “Yunong” comprehensive service system. The balance of “Yunong Loan” exceeded RMB340 billion, with a growth rate of over 20%. The “Cross-border Quick Loan” series of products cumulatively provided financing support of RMB46,390 million for small and micro foreign trade enterprises.



- The Bank's Guizhou Branch launched “Quick Loan for Small and Micro Businesses” to facilitate the industrial upgrade of the featured medicinal herb sector of dendrobium nobile flowers.



- An employee of the Bank's Inner Mongolia Branch visited the Miaojiatan Poverty Alleviation Industrial Park to promote “Yunong Quick Loan”.



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Pension finance

Aiming at building “a professional bank for pension finance”, the Group improved the system for promoting pension finance by establishing the “Pension Finance Department” and pension finance business line. It adhered to the customer-centred approach, strived to build competitive edge in pension finance, and promoted the implementation of the pension finance service system.

In respect of pension finance, in terms of Pillar 1, building on the fundamental role of social security cards in public services, the Group vigorously expanded its social security card business and broadened its customer service scope. It optimised experience of applying for and using social security cards, and revamped the social security service section within its mobile banking app to provide integrated “social security + finance + comprehensive public services”. In terms of Pillar 2, the Group enhanced the market competitiveness of its enterprise annuity business by launching Pension 3.0 services and initiating the establishment of the first batch of 10 specialised enterprise annuity sub-branches. Pillar 2 assets managed by CCB Pension amounted to RMB723,335 million, an increase of 15.36% over 2024; pension assets under custody of the Bank amounted to RMB2.06 trillion, an increase of 16.87% over 2024. In terms of Pillar 3, the Group actively promoted the personal pension system, with steady rise in both the number of accounts opened and the contribution amounts. It created a “Unified View of Pension Funds”, and introduced a convenient “five-step” pension planning service. It enhanced pension product offerings featured by “stable investment, steady cash flow, and solid health protection”, offering over 250 personal pension products, with the allocation proportion of investment and wealth management products steadily rising. Furthermore, the Group expanded and improved the “Jianzhao” series of personal pension products, and enhanced the competitiveness of products of the Group’s subsidiaries. It launched the professional certification programme “Pension Planner”, and nearly 10,000 account managers participated in the training.

In respect of pension industry finance, the Group prioritised elderly-care industry in credit approval, and optimised pension service loan products, so as to guide more credit resources to support elderly-care industry. It intensified bond investment support for the elderly-care industry. With a non-financial service system covering elderly care, healthcare, learning, recreation, and integrated services, the Group expanded its practical and cost-effective non-financial services with local features for senior citizens to promote their consumption.

In respect of pension service finance, the Group innovatively launched a series of “Elderly Care” products such as stock incentive plan and supplementary medical insurance to expand compensation and welfare scenarios, meeting the needs of supplementary corporate pension and staff health management. It raised the elderly-friendly service standard, with 13.6 thousand outlets equipped with 23 types of commonly used elderly-friendly resources. It upgraded featured outlets under the pension finance brand “Jiayang’an” and increased the number of such branches to 511. It launched the “Jiayang’an – Nine Privileges for Senior Citizens” personal pension service, and organised the “Pension China Tour” nationwide campaign, holding over 2,000 events covering nearly 200 thousand people online and offline.



● The Bank’s Fujian Branch provided pension loans to Fujian Rongyao Technology, a company specializing in elderly care products.



The Group continued to promote its digital transformation, consolidate the foundation of data technology, optimise the layout of digital ecology and improve the effectiveness of digital empowerment of business. In addition, it adhered to serving the digital economy, actively supported the integration of digital and real economies, and effectively enhanced the quality and efficiency of digital finance services.

Digital finance

The Group accelerated the construction of digital finance infrastructure to improve its technology and data-driven service capabilities. The Group established the framework of “Multi-Zone, Multi-Region, Multi-Technology Stack and Multi-Chip” architecture under “CCB Cloud”, and initially built a new computing architecture integrating intelligent and general-purpose computing power, maintaining a leading position in overall scale and cloud service capabilities. It established a coordinated management and monitoring mechanism for data demand, enhanced governance levels in data standards, quality, security, etc., and promoted the value realisation of data elements. In terms of direct operation for personal customers, it built a closed-loop operation model of “Insight – Matching – Delivery”, efficiently serving a massive customer base with over 74 million online customers. It systematically advanced the construction of AI applications, with large AI model technology now scaled to empower 398 scenarios across the Group.

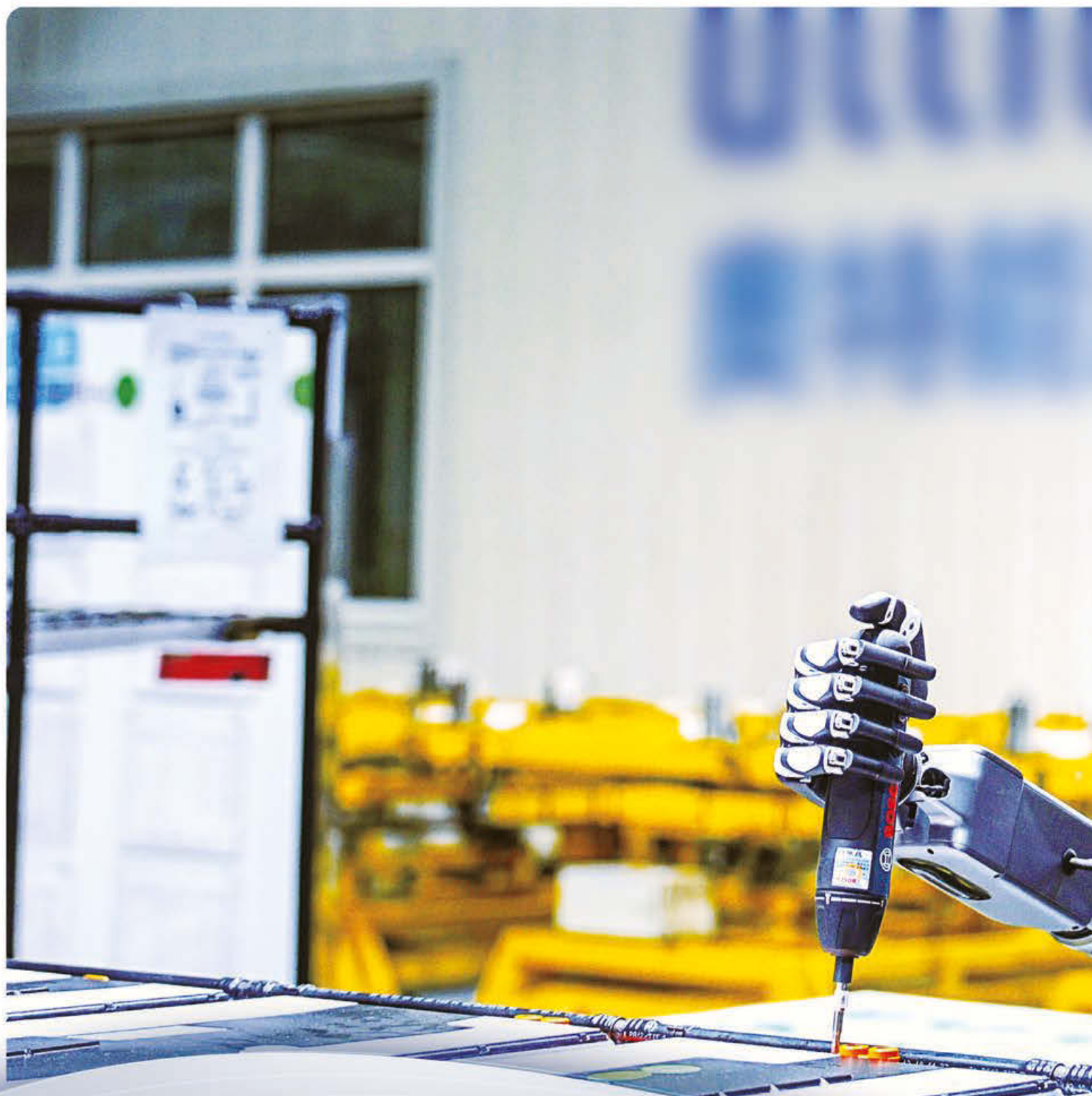
The Group enhanced product and service capabilities on digital platforms, driving traffic circulation operation. It refined user journeys of the “binary stars” of its mobile banking and “CCB Lifestyle” APPs, strengthened customer engagement and companionship, and facilitated value realisation of traffic volume. It had a total of 546 million users on the “binary stars”, with its proportion in personal customers up by 2.06 percentage points over 2024. Targeting the needs of key customers in personal mobile banking business, the Group developed differentiated and people-oriented financial products and services to drive growth in online wealth customers. The number of wealth customers via mobile banking reached 44.52 million, an increase of 13.69% over 2024. The e-CNY business maintained rapid growth, with 30.05 million active personal wallets, 2.61 million active corporate wallets, and 930 thousand active merchants.

The Group optimised the operation mechanism of service outlets to effectively empower frontline employees and reduce their workloads. It developed and promoted an “AI-powered problem-solving assistant for employees at service outlets”, providing a centralised response portal and convenient, efficient, timely, and accurate problem-solving support for frontline staff, which covered 98.73% of the outlets. It further advanced the centralised automation of anti-gambling and anti-fraud transaction limit adjustments and account unlocking operations, with the proportion of counter-based processing reduced to below 5% and kept at a low level, effectively alleviating the operational pressure of service outlets.

The Group served key areas in digital economy, and improved the quality and efficiency of financial services. It focused on real economy and strategic businesses, and improved customer risk assessment capabilities. It also focused on key areas in digital economy to actively support digital industrialisation and industrial digitalisation. At the end of 2025, the Bank's loans granted to the core industries of digital economy reached RMB891,926 million, an increase of RMB140,526 million over the beginning of 2025, with a growth rate of 18.70%.



- By using the CCB Lifestyle App, you may use shared bicycles at any time.



Technology Finance

We are dedicated to building an integrated, branded, matrix-based and systematic product service model for our technology finance business. By a technology finance ecosystem centred on the comprehensive financial services covering equity, loan, bond, insurance and leasing, we have created a technology finance ecosystem to infuse strong momentum into the development of a modern industrial system and the growth of new quality productive forces.



Note:

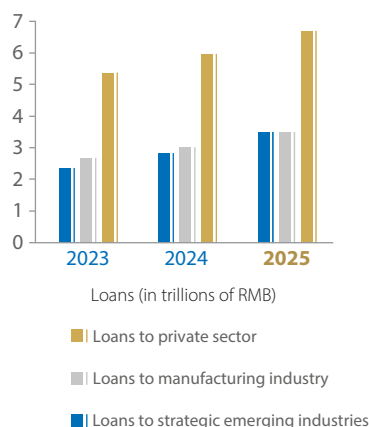
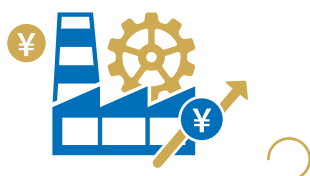
The Bank's Shanghai Branch provided credit support to Fourier Intelligence Co., Ltd., an intelligent robotics company.



CORPORATE FINANCE BUSINESS



Strategy of corporate finance business: The Group vigorously supports the real economy, fully advances the high-quality development of “Five Priorities” in finance, effectively supports the construction of key infrastructure sectors, and implements national strategies for major regions and policies for coordinated regional development. The Group adheres to the “customer-centred” approach, strengthens the customer operation foundation from multiple dimensions, and constantly refines its product and policy framework in response to evolving circumstances. It continuously drives comprehensive green transformation of economic and social development and digital upgrades of supply chain finance.



International business
credit balance amounted to
RMB1.45 trillion

an increase of
27.47%

With improving the quality and efficiency of serving the real economy as its major task, the Bank continued to strengthen the system featuring integration of commercial and investment banking, RMB and foreign currency services, domestic and overseas businesses, and strived to provide customers with comprehensive financial solutions. Committed to enhancing the “Five Priorities” in finance, it actively supported the development of new quality productive forces, intensified its efforts to provide financial support for the new round of large-scale equipment renewal and trade-ins of consumer goods, implemented the national strategic deployment for major regions, assisted in the construction of modern infrastructures, and further pushed forward high-level opening-up. It also actively explored digital, platform-based, comprehensive and ecological construction, and rolled out a series of products and services such as “Digital Supply Chain” and “FITS[®] e Intelligent”.

Customer Operation

Adhering to its market-oriented and customer-centred philosophy, the Group focused on key sectors outlined in the 15th Five-Year Plan, pressed ahead with the building of high-quality customer segments in a tiered and categorised manner. Leveraging its integrated service model featuring “ecosystems + industrial and supply chains + industrial and business clusters”, the Group continued to strengthen its capabilities of batch customer acquisition and systematic customer services, fully enhancing the loyalty and overall contribution of the customers. At the end of 2025, the number of the Bank’s corporate customers reached 12.73 million, an increase of 1.05 million or 9.02% over 2024. The Bank had 17.89 million corporate RMB settlement accounts, an increase of 1.60 million or 9.83% over 2024.

Corporate Credit Business

The Bank persisted in serving the real economy, actively supported the development and growth of advanced manufacturing industry, increased its support for social development and people's livelihood, enhanced the quality and efficiency of industrial and supply chains with supply chain finance, and provided high-quality credit services for economic and social development. At the end of 2025, domestic corporate loans and advances of the Bank amounted to RMB15.69 trillion, an increase of RMB1.26 trillion or 8.70% over 2024, with an NPL ratio of 1.53%. Loans to the private sector reached RMB6.72 trillion, an increase of RMB729,578 million or 12.17% over 2024. Focusing on the new-type industrialisation strategy, the Bank strengthened financial supply, optimised its service system, launched the "Shanjian Intelligent Manufacturing" service initiative to support the new-type industrialisation, and actively bolstered the intelligent, green, and integrated transformation of the manufacturing sector. Loans for manufacturing amounted to RMB3.52 trillion, an increase of RMB480,562 million or 15.83% over 2024. Specifically, medium and long-term loans for manufacturing amounted to RMB1.82 trillion, an increase of RMB201,056 million or 12.40% over 2024. Loans to strategic emerging industries totalled RMB3.52 trillion, an increase of RMB669,066 million or 23.46% over 2024. Loans to real estate industry were RMB905,583 million. The Bank provided 191.7 thousand enterprises along 6,594 core enterprise industrial chains with a total of RMB1.32 trillion digital supply chain financing support on a cumulative basis in 2025.

The Bank actively implemented national strategies for major regions and coordinated regional development. In 2025, the increase in non-discount corporate loans in the Beijing-Tianjin-Hebei region, the Yangtze River Delta, the Guangdong-Hong Kong-Macau Greater Bay Area, and the Chengdu-Chongqing Economic Circle exceeded RMB770 billion, while that in Northeastern, Central and Western regions exceeded RMB540 billion.



- The Bank's Hubei Branch provided credit support for the Hubei section of the Tongshan-Wuning Expressway project.



- The Bank's Shenzhen Branch provided financial support for the upgrading and renovation of Mawan Power Plant. The photo shows Phase I gas power upgrading project of the Mawan Power Plant.



Case story No. 1

Enhancing comprehensive financial services for sci-tech innovation

Company A is an industry benchmarking enterprise that achieved batch production and sales of new energy heavy-duty trucks through forward-defined approach. From initial R&D to capacity expansion, and from market entry to industry leadership, the Group has consistently provided in-depth comprehensive services encompassing whole chain and entire cycle, as a trusted financial partner on the company's growth journey.

Equity led to technological breakthroughs. The Group accurately identified the company's pain points of growth in core technology development and product mass production. At the time of its Series A financing in 2022, CCB (Beijing) Investment Fund Management Co., LTD. and its affiliated entity injected RMB30 million in equity funding. This enabled the company to successfully complete the R&D and mass production of its first vehicle model, transforming a technological blueprint into a market reality and laying a solid foundation for subsequent scaling.

Group synergy boosted scale expansion. In the subsequent Series B financing, the Group adhered to a group-wide integrated approach. Specifically, CCB (Beijing) Investment Fund Management Co., LTD. and its affiliated entity increased its investment by RMB100 million, while the Bank matched it with a credit line of RMB300 million. This "equity + credit" combined solution precisely met the company's comprehensive funding needs during the critical stages of capacity expansion and market growth. With support from the Group, the vehicles delivered exceeded 3,000 that year, and the company became one of the top ten industry players, achieving the leap from "technology leadership" to "scale leadership".

Integrated commercial and investment banking escorted the IPO Journey. As the company entered the mature development phase, the Group continued to keep pace with its progress with full-chain financial services, steadily strengthening capital and credit support. The Bank increased the comprehensive credit line to RMB800 million, and CCB (Beijing) Investment Fund Management Co., LTD. and its affiliated entity made an additional equity investment of RMB100 million in the company through acquisition of existing shares, providing ample funding assurance and capital confidence for the company's IPO preparation.

By the end of 2025, the Group had cumulatively provided the company with equity investments of RMB230 million and credit supply of RMB380 million. The company's vehicle delivered surpassed 8,000 in 2025, securing a leading position among new forces in the new energy heavy-duty truck sector. In November 2025, it successfully submitted its prospectus to the HKEX, positioning itself to potentially become the first listed new force in the new energy heavy-duty truck sector in the Hong Kong stock market.

Institutional Business

The Bank's institutional business actively supported government affairs and people's livelihood. The Bank has been rated "Excellent" in the comprehensive assessment of authorised central treasury payment agent banks of the MOF for five consecutive years, and "Excellent" in the comprehensive assessment of agent banks for central non-tax revenue collection of the MOF for eight consecutive years. Leveraging the "Caihuiguan" fiscal fund supervision service, it assisted local governments in improving the efficiency of fiscal fund utilisation and fiscal resource allocation. It implemented the national strategies of "Education Powerhouse" and "Healthy China", deeply engaged in livelihood sectors including education and healthcare, and continuously contributed to the high-quality development of education and healthcare. It accelerated the development of online healthcare insurance services for public convenience, and continued to promote the use of medical insurance QR code to enhance user experience. It has been rated "Top Tier" in the channel evaluation of medical insurance QR code by the National Healthcare Security Administration for three consecutive years. It also provided professional financial services for key social organisation customers such as trade union, charities, and elderly care institutions.



Investment Banking Business

The Bank continued to deepen its operation model of integrated commercial and investment banking, leveraged a comprehensive suite of investment banking products, including equity, bonds, loans, and advisory services, and took multiple measures to enhance the quality and efficiency in serving the real economy. It was in a leading market position in terms of bond underwriting business with more customers. In 2025, the Bank's bond underwriting for non-financial enterprises reached RMB612,673 million, an increase of 85.85%; it served 470 customers, an increase of 32.77% over 2024. The Bank continued to strengthen its international competitiveness by underwriting 21 batches of panda bond, totalling RMB13,102 million, which increased by 61.54% and 128.34% over the previous year, respectively. In terms of equity business, the Bank deepened its focus on sci-tech sector, and achieved notable results. It actively advanced the financial asset investment company (AIC) equity investment pilot programmes, establishing 28 AIC equity investment pilot funds by the end of 2025. Its merger and acquisition (M&A) loans grew steadily and rapidly, with accelerated implementation of M&A pilot programmes loans granted to sci-tech enterprises. At the end of 2025, the Bank's M&A loans amounted to RMB266,528 million, an increase of RMB51,598 million or 24.01% over the previous year, attaining the leading position in the market. The Bank expanded diversified scenarios for investment and financing matchmaking business and deepened digital scenario applications. It completed 320 "equity + debt" investment and financing matchmaking advisory businesses during the year, exceeding RMB170 billion. The "FITS" e Intelligent platform attracted 170.3 thousand new registered users, providing customers with real-time "cloud advisory" services.

Asset-backed Securitisation Business

The Bank actively utilised asset-backed securitisation products to serve the demands of the real economy for revitalising existing assets, reducing debt and enhancing efficiency. In 2025, the Bank underwrote 47 batches of asset-backed securities in the interbank market with a total scale of RMB20,211 million, representing an increase of 38% and 57% respectively over 2024. The Bank continued to make innovations in terms of products, business models, scenarios, and underlying assets. It led the underwriting of several landmark projects in the market, including the first sci-tech innovation ABN (asset-backed notes) in the interbank market, China's first green ABCP (asset-backed commercial paper) with revenue rights from waste-to-power projects, China's first continuing type structured CB (covered bond), China's first cross-border ABN incorporating overseas engineering receivables, and the interbank market's first blockchain-powered factoring supply chain ABCP. The Bank also participated in the underwriting of China's first quasi-REITs project in the steel industry.

The Bank gave full play to the role of asset securitisation in revitalising existing credit assets, optimising credit structure, and improving the disposal efficiency of non-performing assets through securitisation. It issued four small and micro business loan asset-backed securities with an issuance size of RMB49,612 million. It also issued five non-performing small and micro business loan asset-backed securities with an issuance size of RMB3,887 million, one non-performing personal business loan asset-backed securities with an issuance size of RMB345 million, four non-performing residential mortgages asset-backed securities with an issuance size of RMB4,595 million, six non-performing credit card loan asset-backed securities with an issuance size of RMB2,048 million, and two non-performing personal consumer loan asset-backed securities with an issuance size of RMB261 million.

Feature article No.1

Increasing efforts in M&A loans to drive technological innovation

The Bank took M&A business as a key initiative to advance the strategy of technology finance, intensified resource allocation and achieved leapfrog growth in M&A loans to sci-tech enterprises. It prioritised the M&A of sci-tech enterprises as the primary support area of its M&A business, developed tailored service solutions, and carried out targeted marketing. It continued to enhance the expertise of its talent pool and increase sector-specific investment research efforts. The Bank improved its product and service system, strengthened group collaboration based on the characteristics of sci-tech enterprises, and provided comprehensive financial services. At the end of 2025, the Bank's M&A loans granted to sci-tech sector increased by RMB35,124 million over 2024, accounting for nearly 70% of the total new M&A loans for the year and establishing its leadership in the sci-tech M&A sector.

The Bank actively responded to the pilot policy on M&A loans to sci-tech enterprises issued by the NFRA, and took the lead among large commercial banks in extending pilot loans. It focused on emerging and future industries including semiconductor, high-end equipment manufacturing, next generation information technology, industrial gas, and new energy, providing financial strength to support the development of critical areas and cultivate new productive forces. By the end of 2025, the Bank had cumulatively deployed 44 projects under the pilot policy, with a total disbursement of RMB21,206 million.



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

International Business

The Bank steadily enhanced its capability to participate in international competition, and actively contributed to high-quality development and high-level opening-up. The “Cross-border Quick Loan” series of products cumulatively provided financing support of RMB46,390 million for small and micro foreign trade enterprises. At the end of 2025, international business credit balance was RMB1.45 trillion, an increase of 27.47% over 2024. It continued to press ahead with RMB internationalisation, with the annual cross-border RMB settlement volume of RMB6.50 trillion. It actively developed the offshore RMB market. The Bank, as the designated RMB clearing bank in the UK, continued to be the largest Renminbi clearing bank outside Asia with a cumulative clearing amount of over RMB174.46 trillion. It held “CCB Cross-Border B2B Matchmaking Festival” for four consecutive years. Centring on themes including supporting high-quality “going global”, attracting investment, and the coordinated trade development, it organised multiple cross-border matchmaking events to facilitate smooth global economic, trade and investment exchanges. Following the philosophy of “Financing Service + Intelligent Support”, the loan balance of the “Belt and Road” countries and regions stood at RMB55,387 million through integrated use of products including cross-border project financing, and cross-border M&A loans.



- The Bank's Yunnan Branch provided financial services for the development of modern logistics industry along the China-Laos Railway.



- The Bank's Johannesburg Branch conducted a pre-loan investigation on the Amaria Hydroelectric Power Station in Guinea, providing high-quality services to Chinese enterprises under the “Going into Africa” initiative.

Feature
article No.2

Safeguarding stable foreign trade with cross-border financial products and services

The Bank actively supported high-level opening-up, and launched series of initiatives of “Sailing Forward with Financial Support – Stabilising Foreign Trade for Ten Thousand Enterprises in One Hundred Cities”. Focusing on the full-cycle financial demand of foreign trade enterprises, the Bank introduced the “Stable Foreign Trade Support Package – Five Scenarios and Ten Strategies”, a cross-border financial products and services suite covering five key scenarios (exchange rate risk hedging, payment and settlement, foreign trade credit, asset preservation and appreciation, and customs-banking collaboration) and ten product solutions, aiming to help foreign trade enterprises expand markets, mitigate risks, and enhance efficiency through more convenient and high-quality financial services. Since the launch in August 2025, the series of activities has reached over 10,000 small and medium-sized foreign trade enterprises. The Bank actively coordinated internal and external service resources, further integrated the activities with local foreign trade characteristics and industrial layout, and achieved efficient collaboration among government, banks, and enterprises through high-standard, high-quality on-site activities.



Settlement and Cash Management Business

The Bank continued to consolidate corporate customer and account base, and enhanced promotion and application of settlement and cash management products.

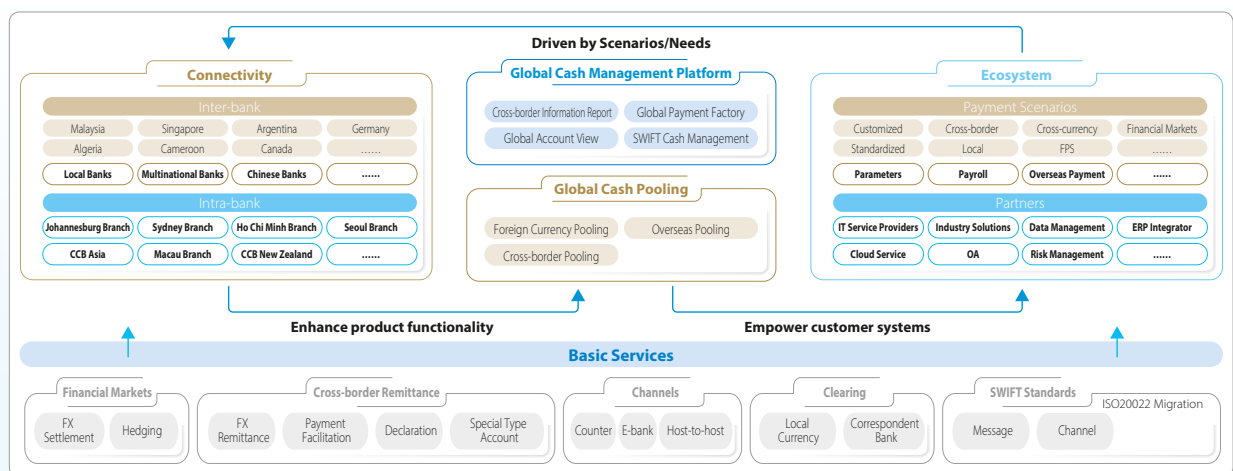
The Bank advanced the optimisation of service process for corporate accounts, enhanced and expanded online modification functions for non-essential elements of corporate accounts, optimised and expanded application channels and service scope for account opening with electronic seals, and innovated group seal imprint service process to meet the signature requirements of group customers.

The Bank deepened digital direct operation for mass corporate customers, improved the top-level design of direct operation, and accelerated the building of a professional direct operation team. It optimised digitalised operation tools, explored AI applications in customer operation, and established a closed loop featuring “connection, service, operation, feedback, and optimisation” to further enhance capabilities in serving mass corporate customers.

The Bank leveraged comprehensive corporate signing service to empower frontline operations, reduce their workloads, and enhance the convenience of corporate financial services. Targeting key customers’ cash management needs, the Bank strengthened its agile response capabilities to meet customer demands for cash management, built a regular operation service framework integrating head office and branch resources and combining business with technology, and achieved notable improvements in customer experience and comprehensive competitiveness of cash management products. Focusing on enhancing customer operation capabilities, the Bank continued to improve the integration, adaptability, and effectiveness of cash management products. It achieved compatibility between the “multi-mode cash pool” and Renminbi and foreign currency integrated accounts, established connection between the “bill pool” and online discounting services, digitally upgraded core functions of “Jianguanyi”, including monitoring, alerts and regulatory reporting, and accelerated the integration of “Zhangbutong” with merchant acquiring scenarios, so as to continuously improve its comprehensive cash management solutions tailored to customers and scenarios as part of the ecosystem. It deepened corporate and personal banking collaboration in agency collection and payment services, enhanced fund retention capabilities, built differentiated competitive advantages, and effectively increased customer value contributions. The Bank had 222.7 thousand contracted corporate customers for agency payroll service to migrant workers, and made 44.06 million payments with an amount of RMB347,235 million to migrant workers under agency payroll service, benefiting 17.02 million migrant workers. It also continued to expand the coverage and scale of payment and settlement products. In 2025, the Bank’s total transaction volume of non-cash corporate payment and settlement services reached RMB656.01 trillion, an increase of 13.97% over 2024.

Feature article No.3

Innovating global cash management to enhance service quality and efficiency



The Bank continued to expand its global cash management service scope. By integrating global payment resources, the Bank’s global payment network coverage increased to 490 overseas banks across 101 countries and regions, and its payment processing efficiency via SWIFT rose by 20% as the Bank further refined its management of payment processes. The Bank took lead in innovation and pioneered the transmission of ISO-format bank-enterprise messages via FINPlus in the domestic market, setting an industry benchmark.

The innovation of cross-border cash pool solutions demonstrated notable effectiveness in empowering customers’ efficient fund operations. Focusing on pain points in cross-border fund management for group customers, the Bank deepened function optimisation and innovation for cross-border cash pool products. The settlement volume of cross-border cash pools was equivalent to RMB395,101 million. The Bank established a cross-border cash pool contract management system, enabling online contract signing and dynamic management. It upgraded the “Multi-Ledger Manager” function to align with the integrated Renminbi and foreign currency pilot policy requirements, supporting real-time and flexible fund adjustments within the pool. It also optimised its transaction and fund transfer processes, integrating the Cross-Border Easy Payment product to achieve automated cross-border fund pooling, reducing the average fund transfer period within the Group from 2-3 working days to 2-3 hours.



Inclusive Finance

We focus on the key areas and weak links of the social economy, and continuously improve our inclusive finance service model based on the characteristics and needs of inclusive finance customer groups, with an aim to enhance product suitability and better meet customer demands.



Note:

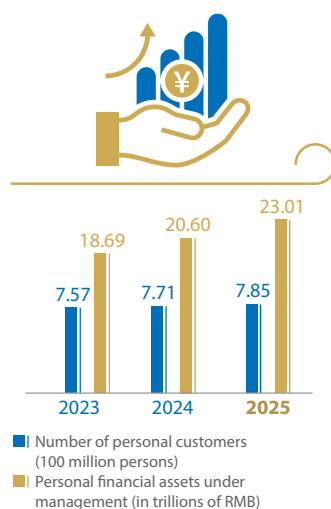
The Bank's Zhengding Sub-branch in Hebei continuously increases its support in areas such as inclusive finance and rural revitalization, contributing to the robust development of the small commodity night market in Zhengding County.



PERSONAL FINANCE BUSINESS



Strategy of personal finance business: Adhering to the people-centred development philosophy, the Bank diligently advances the digital, intelligent, specialised, and ecosystem-oriented upgrade of its “New Retail 2.0” initiative. It continues to refine its tiered, grouped and graded operation system of personal customers, presses ahead with the implementation of its mega wealth management strategy, and strives to create a brand image of “private banking leader”. The Bank actively expands the development of its consumer ecosystem, accelerates the enhancement of financial service capabilities in county and rural areas, and proactively plans for full-chain intelligent transformation, so as to consistently improve the operating quality and efficiency of its personal finance business.



The number of wealth management customers
increased by 8.03 million
over last year, a year-on-year
increase of 0.93 million

The balance of domestic personal business loans amounted to
RMB1.32 trillion

an increase of
28.77%

The balance of domestic personal consumer loans amounted to
RMB683,174 million

an increase of
29.41%

The Bank earnestly practiced the principle of “financial services for the people”, proactively adapted to customer needs, and anchored itself to the theme of high-quality development by focusing on customer service. It deepened the digital, intelligent, specialised, and ecosystem-oriented transformation and upgrade, continuously refined its customer and product/service system, and innovated customer service models, to enhance customer service efficiency. Against the backdrop of rapid development of AI development, the Bank deepened the tiered, grouped and graded customer operation, strengthening effective outreach and precise matching for all personal customers. In line with wealth management trends, it expedited the advancement of its wealth management strategy, leveraging professional capabilities to help residents preserve and increase their wealth, effectively promoting steady growth in assets under management (AUM) from personal customers. It seized opportunities to expand domestic demand and boost consumption, and achieved balanced development in “volume, pricing, and risk”. The Bank focused on building a professional brand image for its private banking services, actively drove breakthroughs in areas such as financial services at the county and rural levels, pension finance, and ecosystem scenarios, enhanced the quality and efficiency of serving the real economy, and further burnished its retail brand. It has been awarded the “Best Retail Bank in China” by The Asian Banker for five consecutive years.

Customer Operation

Leveraging the AI transformation and capitalising on wealth management trends, the Bank continued to deepen its “tiered, grouped and graded” management system for personal customers. It balanced efforts to acquire new customers with deepening relationships with existing ones, broadening the scope of services, enhancing service depth, and improving service experience, thereby consolidating the customer foundation for high-quality development of its retail business.



The Bank stepped up its efforts in tiered management to create a new model of refined service. For mass retail customers, the Bank continued to upgrade its direct management model of “people + digitalisation”, deepening the digital service journey of “insight – matching – access – accompanying”. It innovatively created a new online management model for mass retail customers, expanded the boundaries of customer service, empowering efforts with digital and intelligent tools, and significantly enhanced the inclusiveness of financial services. For high-value customers, the Bank strengthened the professional capabilities of its account managers, improving refined management and digital-intelligent empowerment. This ensured the entire process of account manager team management, integrated service delivery, value creation, operating activities, and capability development was visible and actionable, providing higher-quality and more efficient services to high-value customers. For private banking customers, the Bank implemented the collaborative “tiered upgrade” service involving chief account managers, private banking centres, and outlets. It strengthened the professional guidance in wealth planning and asset allocation, providing exclusive integrated public-private services for entrepreneur customers.

The Bank improved its grouped services to enhance the quality and effectiveness of serving key customers. For payroll service customers, the Bank built an integrated business model serving both the corporate end and the individual end, constantly upgraded and promoted the “Xinxiangtong” platform, created a package of products and services encompassing “settlement, wealth, credit, and benefits”, enhancing customers’ capabilities of income management. For pension customers, the Bank launched the “Jianyang’an – Nine Privileges for Senior Citizens” personal pension service system, and pressed ahead with the construction of the “Social Security Card Ecosystem”, precisely meeting the diverse needs of such customers. For cross-border customers, the Bank capitalised on residents’ demand for global asset allocation, leveraged the strategic pivot role of CCB Asia, systematically advanced the development of services for domestic and overseas customers, investment research products, professional teams, and system platforms, built a global asset allocation service system, and improved global asset allocation capabilities. It reinforced the synergistic management of assets and liabilities for inclusive finance loan borrowers and residential mortgage borrowers, deeply tapped into customer value, and achieved full coverage of comprehensive service.

The Bank engaged in graded empowerment to achieve a new upgrade in customer benefits and experience. It integrated and upgraded its points and benefits system, and created a new “CCB Long Points” brand, promoting the standardisation and branding of points operations, providing customers with a stable, long-term benefits experience. It optimised customer tiers, upgraded the “Wealth Membership” graded service system for personal customers, promoted the precise matching of customer benefits, and consolidated the foundation of existing customer relationships. The Bank strengthened marketing activity management, launched a one-stop “Activity Centre”, coordinated resources to create high-quality campaigns, and comprehensively improved the quality and effectiveness of customer marketing operations. It also drove the shift of focus of marketing and operating capabilities to branches, balanced operational value creation with customer experience, innovated marketing tools, and fully activated the operating potential of frontline staff.

The Bank expedited the development of personal AI assistant for retail business. It actively pressed ahead with its digital and intelligent transformation by equipping personal account managers with a “digital twin”, deeply integrating AI technology into their workflows. It developed multiple vertical-domain AI agents for core business scenarios such as customer needs insight and asset allocation. Through data-driven and intelligent analysis, it helped account managers accurately identify potential needs of customers, enabling them to see market opportunities “more clearly”. Leveraging professional product analysis capabilities, it assisted account managers in providing differentiated financial services, ensuring “more specialised” asset planning service. By automating processes via large workflow models, it reduced processing delays for account managers, allowing for “faster response” to customer inquiries. Relying on the extensive application of personal AI assistant, the Bank significantly enhanced the digital and intelligent service capabilities of its personal account manager team, and enhanced both customer service efficiency and quality, boosting the high-quality development of retail business with solid technological prowess.

At the end of 2025, the Bank’s number of personal customers reached 785 million and the personal financial assets under management by the Bank totalled RMB23.01 trillion. The Bank’s personal deposits stood at RMB18.02 trillion, an increase of RMB1.78 trillion over 2024.

Case story No. 2

Creating “CCB Selection” product brand

Currently, as household wealth continues to grow, the cycle for diversified asset allocation has begun. However, customers often face investment challenges such as rapidly changing markets, special knowledge barriers, and a vast array of product choices. To make professional wealth management services more accessible to public customers, the Bank launched the “CCB Selection” service. Through meticulous categorisation of investment strategies, intuitive explanation of professional knowledge, rigorous selection of quality products, and timely post-investment support, it made sophisticated concepts more accessible, and lowered the investment threshold for customers, in line with the philosophy of serving inclusive finance customers.

Highlighting the core of professional product selection. The Bank pooled expertise from both within and outside the Group, including macroeconomic, asset allocation, and product specialists, conducts regular market analysis, and dynamically updated its portfolio based on quantitative selection criteria as well as company and product research. Furthermore, it continuously tracked the market performance of selected products, conducted performance reviews and process optimisation to ensure the quality of product offerings.

Building a multi-layered curation matrix of “allocation + strategy + selection”. Focusing on the “four buckets of money” for liquidity, preservation, growth and insurance purposes, the Bank refined investment strategies (e.g., new quality productive forces and gold for “return seeking”) and matched them with series of selected product for customers to choose at discretion. It integrated investment research opinions, selected products, and investor education information, presenting them in a new media format combining text and graphics to improve customer interaction experience.

Providing continuous support through “professional information + return analysis”. The Bank launched an open wealth management ecosystem business, collaborating with high-quality agency sales partners to develop wealth management information that promptly interprets market changes and analyses product performance. It also created the “Return Centre” on its mobile banking app, providing personal customers with precise calculation and comprehensive analysis of investment returns, helping them manage their wealth with assurance, confidence, and efficiency.

In 2025, “CCB Selection” introduced nearly 40 investment advisory strategies, and cumulatively reached customers for over ten million times.





Personal Credit Business

At the end of 2025, the Bank's domestic personal loans and advances amounted to RMB9.05 trillion, an increase of RMB177,902 million or 2.01% over 2024.

In terms of residential mortgage business, the Bank implemented national policies and regulatory requirements, supported residents' essential housing needs and diversified needs for better housing, and contributed to the stable and healthy development of the real estate market. At the end of 2025, the Bank's domestic residential mortgages reached RMB5.99 trillion, and the loan balance, amount granted during the year and asset quality remained ahead of the industry, consolidating its leading position in residential mortgages.

In terms of personal business loans, the Bank focused on the real economy, and actively expanded personal business customers such as individual businesses, and small and micro business owners. It innovated and refined its product and service system, optimised and promoted flagship products such as "unsecured quick loans for personal business" and "secured quick loans for personal business", and actively implemented interest subsidy policies for loans granted to business entities in service industry. The Bank accelerated the expansion of agriculture-related personal business loans at the county level, and achieved rapid growth in "Yunong Loan", with a loan growth rate of more than 20%. At the end of 2025, the Bank's domestic personal business loans amounted to RMB1.32 trillion, an increase of RMB293,912 million or 28.77% over 2024.

In terms of personal consumer loan business, the Bank actively implemented national policy deployment to boost consumption, supported residents' diverse consumption financing needs, optimised and enhanced products and services, fortified the foundation for risk prevention and control, and maintained a leading position in asset quality among peers. At the end of 2025, the Bank's domestic personal consumer loans amounted to RMB683,174 million, an increase of RMB155,279 million or 29.41% over 2024.

In terms of credit card loan business, the Bank seized opportunities presented by national "Trade-ins" subsidy policies and emerging consumer market trends, and earnestly carried out the special consumer finance action, integrating national subsidy resources, platform resources, merchant resources, and bank resources to stimulate consumer demand in areas such as vehicle purchases, home decoration, furniture and household appliances. The Bank focused on expanding transaction volume in key consumption scenarios, built an end-to-end service ecosystem covering payment, credit, benefits, and special offers, actively explored new consumption trends such as cultural and tourism consumption and pet economy, and pushed forward the transition towards loan instalments for new energy vehicle purchases, consolidating customer base and scaling up transaction volume. At the end of 2025, the Bank's domestic credit card loans totalled RMB1.01 trillion, outperforming its peers.

Personal Payments

The Bank continued to consolidate the foundation of its accounts and payments by adhering to its customer-centred philosophy. It continuously optimised payment services for the elderly and overseas visitors to China. Leveraging digital technology, it innovated service models, allowing customers to enjoy bank card and account services via "mobile banking operation + remote video verification", lifting the experience from "physical visit required" to "cloud-based processing". The Bank expanded its debit card product offerings, and launched innovative products such as the "Panda-themed Long Card". It deeply engaged in the consumer market by carrying out "Splendid CCB", a campaign to boost consumption and benefit consumers, and effectively stimulated consumer transactions. At the end of 2025, the Bank had 1,490 million personal settlement accounts, and the debit cards issued reached 1,284 million. In 2025, the consumer spending volume of debit cards reached RMB24.48 trillion, and the number of transactions reached 62,047 million.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Bank actively implemented national policies to boost consumption, and restructured its comprehensive merchant service system. Through process re-engineering, centralised operations, and technology enablement, it significantly enhanced the efficiency of its merchant services. At the end of 2025, the Bank had 6.10 million card acquiring merchants, with an annual card acquiring transaction volume of RMB3.71 trillion.

In terms of credit card business, the Bank focused on new consumption sectors to drive spending growth with its four major instalment products, i.e., loan instalments for vehicle purchasing, loan instalments for renovation, Fenqitong, and general instalments. The Bank actively took consumption trends such as cultural and tourism consumption and the ice and snow economy, to build brands such as the “Enjoy the Journey” scenario marketing campaign and “the More You Spend, the More You Get” incentive-based consumption promotion campaign. Aligning with themes such as the “Long Credit Card 66 Festival”, summer travel, credit for the people, the 11.11 shopping spree, and the ice-snow season, it launched over 100 consumer-friendly activities. The Bank continued to reinforce full-life-cycle customer management, and further refined its credit card product portfolio by focusing on high-value customers, young customers, and car-owners. It innovatively launched multiple new products, including the Movie-themed Credit Card with Dragon Logo, “My love” Family Long Credit Card (Premium Edition), the Douyin Co-Branded Card, and the Long Card Auto Card Amex Platinum Credit Card. At the end of 2025, the cumulative number of credit card customers and credit cards issued reached 101 million and 126 million respectively. The transaction volume of credit cards totalled RMB2.56 trillion in 2025.

Case story
No. 3

Deepening the integration of finance, culture and tourism to unleash consumption potential

In 2025, in response to national policies to expand domestic demand and stimulate consumption, the Bank's credit card played its role as a “main force” in consumer finance. During peak travel seasons such as the spring outing season, the May Day holiday, summer vacation, and graduation season, the Bank actively launched the “Enjoy the Journey” Fun series of themed campaigns, offering instant discounts upon payment via Ctrip and Qunar platforms, spending-based rewards at Disney and Legoland, and option to offset part of the order amount with credit card points when customers used CCB credit cards on platforms such as 12306, Meituan, and Alipay. To support the national strategy of upgrading and expanding cultural and tourism consumption, the “Enjoy the Journey” Fun • Explore China with Benefits” campaign pioneered with innovation of “credit card + cultural and tourism ecosystem” model, and created a full-chain service ecosystem covering “scenic spots – commercial districts – specialty consumption” in multiple leading cultural and tourism consumption cities, including Beijing, Shanghai, Chengdu, Guangzhou, Hangzhou, Changsha, Suzhou, Qingdao, Xiamen, Kunming, and Sanya, providing cardholders with preferential services encompassing scenic spot tickets, specialty dining, and creative cultural consumption to meet customers’ travelling and spending needs.

Moving forward, in terms of credit card, the Bank will continue to deepen its cooperation with local tourism festivals, popular attractions, and merchants, comprehensively expand cultural and tourism scenarios, and enhance consumer experience, so as to further activate market consumption potential and support the high-quality growth of the cultural and tourism economy.





Wealth Management

The Bank actively advanced its wealth management strategy, continued to optimise its wealth management operating mechanisms, service models, and system platforms, sped up the improvement of its wealth management service system, and saw sustained enhancement in core wealth management indicators, professional capabilities, and brand image. At the end of 2025, the Bank's investment and wealth management size amounted to RMB5.00 trillion, with a rise in market share. The number of wealth management customers increased by 8.03 million over 2024, 0.93 million more than that for the previous year. The Bank refined its operating mechanisms, strengthening the professional guidance of the Investment Decision-making Committee and the Agency Services Committee. The focus of investment research strategies and opinions moved from primarily empowering internal operations to both internal enablement and customer-facing services. It deepened the implementation of its wealth management talent programme, and established a graded management mechanism for investment research experts and wealth management advisors, solidifying professional support. The Bank innovated its service models, launching the "Return Centre" on its mobile banking app, covering major wealth management products such as deposits, WMPs, mutual funds, precious metals, bonds, and private funds. It provides personal customers with cross-category, multi-period return analysis services, offering an industry-leading overall experience. It strengthened functional innovation in products, and created diversified fund management solutions such as "Wealth Management Night Market" and "Easy Repayment". The Bank consolidated its system support. Externally, it partnered with mutual fund companies, bank wealth management subsidiaries, and insurance companies to launch an open wealth management ecosystem business, opening its mobile banking online operation capabilities to partners to enhance the online professional service experience. Internally, leveraging AI technology and focusing on key areas such as investment research, investment advisory service, investor education, products, and training, it innovatively promoted the application of "personal AI assistant" in wealth management scenarios, providing the professional team with efficient and convenient intelligent support.

Private Banking

The Bank comprehensively upgraded its core private banking financial services, including asset allocation, wealth planning, family advisory service, and corporate financing. It diversified and expanded its premium benefit services, encompassing legal and tax advisory service, health care, and travel privileges. Adhering to the boutique strategy, it deepened the tiered, graded, and grouped operation of private banking customers, and focused on building a long-term mechanism for tiered and upgraded operation of private banking customers. It integrated high-quality resources inside and outside the bank, and continuously enhanced its operation strategies for customer groups such as customers for both inclusive finance and private banking, cross-border finance customers, and retail credit customers. It leveraged private banking centres to set up entrepreneur studios so as to accelerate dual enhancement of service efficiency and customer value. The Bank promoted the improvement in quality and efficiency as well as innovation of its family advisory services. The assets managed by family trust advisory business and insurance trust advisory services grew by over 20%, further consolidating the Bank's market-leading position. Focusing on customers' core wealth management needs, the Bank continuously optimised private banking wealth planning and asset allocation services, expanded the ecosystem with asset management partners, and strengthened product selection across the market, deployment along the entire product line, and full lifecycle management so as to establish an enterprise-wide private banking product shelf. It intensified forward-looking analysis and look-through risk management of its private banking agency sales business, fortifying stable business development. It continued to upgrade the exclusive premium benefit system for private banking customers, comprehensively enhancing their privileged experience. This brought about significant improvement in key indicators such as customer retention rate and AUM per capita, reflecting steadily rising market competitiveness.



County-based Finance

Leveraging the distinctive local industrial characteristics and resource endowments, we adhere to the strategy of implementing differentiated measures for various regions tailored to local conditions, and forge an independent path to serve the counties and rural areas, thereby promoting the integrated urban-rural development.



Note:

The Bank's Jiangxi Nanchang Sub-branch actively supports the urban-rural construction in Nanchang County by providing credit support for the Nanchang - Xiangtang Urban-Rural Cold Chain Logistics Park.



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Rural Revitalisation

The Bank provided high-quality financial services to promote integrated development of urban and rural areas and boost all-around rural revitalisation. At the end of 2025, the number of agriculture-related loan borrowers was 3.93 million, an increase of 152.8 thousand over 2024. Its agriculture-related loans totalled RMB3.71 trillion, an increase of RMB373,230 million, or 11.20% over 2024. The weighted average interest rate of agriculture-related loans newly granted in 2025 was 3.01%.

For agriculture-related enterprises and various organisations, the Bank actively promoted the “Rural Revitalisation Loan” product packages, and provided targeted services for key links and core customers for food security by promoting products such as “Quick Loan for Cooperatives”, “Agricultural Machinery Loan”, “Agri-Product Cold Chain Logistics Loan”, “High-standard Farmland Loan”, and “Agricultural Facility Loan”.

The Bank created an agriculture-related service model featuring “ecosystems + industrial and supply chains + industrial and business clusters” to cover the agricultural industry ecosystem across all scenarios, customer segments, and value chains. Centring on the “Yunong Market” business clusters and seed industry chain, the Bank achieved full financial service coverage for agriculture-related entities including agricultural wholesale and retail markets, seed enterprises, and farmers, driving industrial development in rural areas and increasing farmers’ income and wealth.

It strengthened customer engagement in county and rural areas, and enhanced its financial service capabilities and market competitiveness in these regions. At the end of 2025, the Bank’s loans in counties amounted to RMB6.10 trillion, an increase of RMB649,560 million or 11.92% over 2024. Specifically, personal loans in counties were RMB2.32 trillion, an increase of RMB49,835 million or 2.20% over 2024; corporate loans in counties amounted to RMB3.78 trillion, an increase of RMB599,724 million or 18.85% over 2024.

Targeting diverse business types in counties, the Bank improved its “Yunong Loan” product system, accelerated customer expansion, and provided more convenient and efficient financial services for personal operating entities, primarily farmers. At the end of 2025, the balance of “Yunong Loan” exceeded RMB340 billion, a year-on-year increase of over 20%.

The Bank continued to improve the service quality and efficiency of “Yunongtong” platform to help shift the focus of services to the grassroots. In terms of offline services, the Bank linked its service sites into a service chain, and continued to optimise the layout and structure of the service sites and enhance scenario-based functionalities, enabling farmers to conveniently access basic financial services (e.g., cash withdrawals and remittances) and public services (e.g., social security, medical insurance and utility bill payments). By the end of 2025, the Bank had cumulatively served over 76.21 million farmers through the platform, an increase of 4.16 million users during the year. “Yunongtong” service sites cumulatively processed over 100 million transactions in 2025, including more than 20 million social security payments. In terms of online platform operation, the Bank continued to leverage digital tools to deepen the integration of the “Yunongtong” App with the WeChat ecosystem and expand outreach, and provided online services such as card application appointments, loans, and agency payments for farmers. The number of online users of “Yunongtong” platform reached 31.90 million, an increase of 3.94 million over 2024. The cumulative amount of agricultural loans through “Yunongtong” App increased by RMB196.3 billion.

Case story
No. 4**Creating a seed industry financial services model**

The Bank created an industrial chain model for the seed industry covering the entire value chain, all scenarios, and all customer groups by adopting the service mode of “ecosystems + industrial and supply chains + industrial and business clusters”. It built a “Yunong Industry – Seed Industry Cloud Platform”, offering functions such as production management, market-based services, and visualised decision-making. The platform helped tackle challenges faced by leading enterprises in seed industry, including the lack of digital platforms, relatively low operating efficiency, incomplete data elements for agricultural enterprises and households, inadequate collateral and guarantees, and difficulties in accessing affordable financing, and facilitated four-party collaboration and integrated development of government, enterprises, the Bank, and farmers with this financial service model for the entire industrial chain for the seed industry. By the end of 2025, the Bank had served 13,396 seed-producing farmers with the development of the platform, providing RMB1.17 billion credit fund to operating entities including seed enterprises, agricultural materials and machinery suppliers, and seed-producing households.



- The Bank's Gansu Branch supports the development of the corn seed production industry by leveraging the digital platform to facilitate large-scale cultivation, while seed production farmers carry out seedling placement in the field.

Entrusted Housing Finance Business

The Bank continued to improve the service efficiency of the housing provident fund, and supported the people's residential needs. It focused on expanding the coverage of the housing provident fund system, actively supporting pilot programmes for contributions by flexibly employed individuals. The Bank increased the supply of housing provident fund loans and enhanced convenient services featuring “getting it done efficiently”. It implemented the preferential policies, such as expanding the use of provident fund, and strengthened multi-channel service capabilities both online and offline. At the end of 2025, the housing fund deposits of the Bank were RMB1.74 trillion, and the residential provident fund loans stood at RMB3.03 trillion.



TREASURY AND ASSET MANAGEMENT BUSINESS



Strategy of treasury and asset management business: Adhering to its professional and prudent positioning, the Bank takes capability development as the foundation for its growth, and keeps enhancing its value contribution. It delivers high-quality financial services to support national development, carries out the “Five Priorities” in finance to the highest standard, and builds a high-level framework for direct financing services. It enhances services to financial institution customers, integrates the business development with its overall strategy, improves its customer and product service systems, and accelerates the transformation into a solutions provider.



Assets under management reached

RMB6.94 trillion

The underwriting volume
of government bonds

**exceeded
RMB3 trillion**

Assets under custody amounted to

RMB27.40 trillion

The Bank aims at serving national development and meeting wealth management needs with high-quality services, while enhancing financial market service quality and efficiency. Following its market-oriented and specialised development path, the treasury and asset management business actively integrated itself into comprehensive operation of corporate and personal customers, continuously refined its financial institution customer service system, and achieved notable results through graded, tiered and categorised management with further expanding collaboration with financial institution customers both in depth and width. It continued to strengthen comprehensive capital market service capabilities based on its custody services, with assets under its custody exceeding RMB27 trillion. It continued to enhance the value creation and sustainable development capabilities of financial market business, effectively prevented and controlled various risks. It strengthened high-quality asset management product offerings to provide diversified investment and financing solutions for customers. It also seized strategic opportunities in precious metals, becoming the first large state-owned bank to offer 24-hour continuous quotation for gold accumulation business to customers.

Financial Market Business

In terms of financial market business, the Bank adhered to the concept of high-quality development, and persevered in seeking progress while maintaining stability. It continuously enhanced its capability of value creation and sustainable development, and effectively controlled various risks while steadily advancing its business development.

Money Market Business

The Bank utilised a combination of money market tools to ensure ample liquidity. It fulfilled its responsibilities as a large bank by actively carrying out repurchase transactions with non-bank financial institutions under the PBOC swap facilities, and continuously provided liquidity support to small and medium-sized financial institutions. The scope of counterparties further expanded, and its market share in RMB money market transactions rose steadily. The negotiable certificates of deposits (NCDs) issued by the Bank maintained growth with a balance of RMB1.30 trillion at the end of 2025, effectively supplementing its proactive liabilities.



Bond Business

The Bank adhered to the operating principle of “safe and sound operation, value-based investment” and maintained a sound balance of security, liquidity and profitability. It strengthened proactive management of its bond investment strategy and strongly supported the implementation of proactive fiscal policies and the financing needs of the real economy. In 2025, the underwriting volume of government bonds exceeded RMB3 trillion, ranking top in the market. It vigorously implemented the “Five Priorities” in finance, served key strategies such as sci-tech innovation and green and low-carbon development. It proactively expanded over-the-counter (OTC) bond business, supported reforms in the multi-tiered bond market and empowered small and medium-sized bond investors. At the end of 2025, the corporate customers’ holdings of OTC bonds increased by 2.5 times over 2024.

Financial Market Trading Business

The Bank actively promoted exchange rate risk neutrality strategies, optimised online service channels to facilitate customer transactions and enhance customer trading service capabilities. In 2025, its customer-related foreign exchange trading business volume increased by 12.13% over 2024. The number of its active trading customers increased by 4.92% over 2024, reaching a historic high.

Precious Metals and Commodities Business

The Bank seized strategic opportunities in precious metals, focusing on the entire gold circulation chain to actively develop leading customers in the gold industry. It proactively served as a major force in supporting the building of national gold market. It also strengthened its gold accumulation service, becoming the first state-owned bank to offer 24-hour continuous quotation for gold accumulation business to customers. It piloted and launched gold-linked structured deposits. Capitalising on policy opportunities for insurance funds’ gold investments, the Bank opened up transaction channels for insurance funds to enter the market. The Bank leveraged commodity hedging features to support real economy development. It strengthened hedging services for leading enterprises in key manufacturing and resource-based sectors, enhancing the resilience and security of industrial and supply chains. It deepened the “bank + insurance + futures” business model, achieved targeted hedging for agriculture-related credit risk, covering 11 agricultural products including corn, soybean meal, and cotton, and built a distinctive CCB service for rural revitalisation. It also actively explored carbon trading-related business innovations, constructing a carbon finance product matrix and expanding green service scenarios to support the implementation of the “Five Priorities” in finance. At the end of 2025, the Bank’s domestic precious metal assets amounted to RMB387,457 million.

Case story No. 5

Granting China’s first credit enhancement loan based on carbon account under climate investment and financing

In line with the PBOC’s call for commercial banks to participate in the activation of corporate carbon assets and explore innovations in loans secured by carbon allowance, the Bank actively engaged in research and cooperation with the national carbon market and exchanges. Under the existing regulatory framework, it tackled the common challenges such as the short tenor and weak control associated with static financing product pledged by carbon allowances, by establishing a multi-party collaborative carbon account monitoring mechanism. In partnership with a property insurance company, it designed a “Credit Enhancement Based on Carbon Account under Climate Investment and Financing” financing solution. This structure hedges against the risk of cross-period invalidation of allowances, and achieves long-term and effective locking and value preservation of carbon allowance assets, thereby providing financing and credit enhancement support for the green and low-carbon transition of key emitting enterprises in national carbon market.

This solution successfully facilitated China’s first RMB10 million jointly managed carbon account credit enhancement loan for an energy company, assisting the company in its low-carbon business transformation. Applicable to key greenhouse gas emitting enterprises in the national carbon market, it helped enterprises resolve the maturity mismatch between allowances held and funding needs, effectively revitalising the national carbon allowance assets owned by the borrowing entity. This innovation represented a positive exploratory effort by the Bank in implementing China’s carbon peaking and carbon neutrality goals and pressing ahead with the development of green finance, and infused more green momentum into the Bank’s intensive high-quality development.



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Asset Management Business

The Group maintained a professional and prudent positioning, focused on serving direct financing and diverse wealth management needs, and strove to enhance its value creation capabilities and market competitiveness. On the customer side, the Group constantly refined its collaborative marketing mechanism, providing tailored solutions covering both funding and assets for key customers. On the product side, it gradually enhanced its asset management product offerings, and strengthened the supply of high-quality products. At the end of 2025, the Group's AUM reached RMB6.94 trillion, with the assets under management of CCB Trust, CCB Wealth Management, CCB Principal Asset Management, CCB Pension and the asset management subsidiary under CCB Life standing at RMB2.36 trillion, RMB1.74 trillion, RMB1.53 trillion, RMB0.75 trillion and RMB0.44 trillion, respectively. On the asset side, the Group constantly improved the quality and efficiency of its asset management business in serving the real economy, with a key focus on increasing investment support in areas such as high-end manufacturing, specialised and sophisticated enterprises, inclusive small and micro businesses, technological innovation, and green development.

At the end of 2025, all of the Group's wealth management products were net-value type managed and operated by CCB Wealth Management. For business details of CCB Wealth Management, please visit the website of CCB Wealth Management (www.wealthccb.com).

Feature article No.4

“Anxin Shanyang” – Exploring a new service model for pension finance

To effectively advance the development of pension finance and guide charitable funds into the elderly care sector, the Bank launched the “Anxin Shanyang” charitable trust business. This initiative provided diversified elderly care support solutions for the elderly in need, promoting the deep integration of philanthropy and elderly care services. The “Anxin Shanyang” business offered professional, reliable, and one-stop charitable trust services to corporate customers with philanthropic intentions and local charity federations. Under this model, CCB Trust acted as professional trustee, and the Bank's tier-one branches serve as local service providers. The charitable trust connected caring enterprises, charitable organisations, and elderly care institutions, forming a closed loop where “the enterprises make donations, the trusts manage funds, the institutions build the platform, and the elderly benefit”.

By the end of 2025, the Bank had established nine “Anxin Shanyang” charitable trusts, with AUM of RMB7.30 million. The service was implemented in multiple provinces and cities, including Jiangsu, Zhejiang, Fujian, Shanghai, and Tianjin, covering various scenarios including procurement of elder-friendly facilities, dementia care, rural elderly care services, medical escort and delivery services for the disadvantaged senior citizens, and cultural activities for the elderly. Cumulatively, it has benefited over 4,000 elderly person-times. This initiative was selected in the China Banking Association's *Case Studies of the Banking Industry Practicing Financial Culture with Chinese Characteristics* and was honoured with the “Outstanding Practice Award in Pension Finance” at the financial website JRJ.com's 14th annual “GoldenWis Award”.

Financial Institutional Business

The Bank continued to deepen its cooperation with financial institution customers, and refine its all-encompassing, multi-level, and integrated service system for such customers. It solidly advanced graded, tiered, and categorised management of financial institution customers, serving their diverse needs of cooperation, including bond issuance, pension finance, business innovation, and M&A and restructuring. The Bank formulated integrated marketing guidance and comprehensive service solutions for financial institution customers, and pressed ahead with differentiated management for customer segments such as banks, securities firms, and insurance companies. The Bank enhanced services for financial market infrastructure customers. It achieved several pioneering collaborations with the Shanghai Clearing House, and innovated system functions to provide fast and convenient services for customers of the Shanghai Gold Exchange, ranking at the forefront of the industry in both the number and significance of awards received for serving financial market infrastructures. The Bank consolidated its capital market services and maintained its leading position among peers in both the number of securities customers for the third-party security custody services of trading settlement funds and the amount of funds under custody. In terms of deposits from banks and non-bank financial institutions, the Bank actively attracted deposits from financial institution customers to offset outflows of other deposits, and carefully balanced volume and pricing in its development. It proactively served the funding needs of key financial institutions, with both the size of and income from placements with banks and non-bank financial institutions reaching record highs. The Bank further



advanced integrated bill operations, and increased vigorous support for bill business of customers in sectors such as manufacturing, sci-tech innovation, and inclusive finance, so as to enhance the quality and efficiency of serving the real economy. The interbank service platform “Shanjiantongxing” built ten ecosystem scenarios for financial institution customers. Through “single-point access, integrated services, and one-stop contracting”, it enhanced online comprehensive service capabilities, fostering an interbank ecosystem. By the end of 2025, the platform had attracted more than 2.85 million visits, 2,209 registered users and granted RMB12.96 trillion on a cumulative basis.

**Feature
article No.5****Deepening engagement with securities customer segment to serve the capital market**

The Bank adhered to its customer-centred service philosophy, leveraging the resources of the entire Group to enhance comprehensive service capabilities for securities and futures customers. It provided comprehensive services to securities financial institutions, including bond investments, corporate account overdrafts, investment in securities firms’ return notes, agency sales, and custody services, as well as fund trading services in terms of interest rates, foreign exchange rates, derivatives, and precious metals, and established all-round cooperative relationship with them. The Bank also provided fund custody service for securities investors, fully safeguarding the security of trading settlement funds of the customers.

In 2004, the Bank participated in the pilot programme for the bank custody model for trading settlement funds of securities firm customers and was approved as one of the first custody banks. Since its inception, the business has received high recognition from market participants. As the only commercial bank in China currently supporting both RMB A-share and foreign currency B-share fund custody, the Bank offers multiple service functions, including margin trading credit fund custody, Delivery versus Payment (DVP) fund clearing, “Scan to Onboard” contracting, 24/7 fund transfer, and direct connection between the Bank and securities and futures firms. This provides investors with convenient, efficient, and secure one-stop comprehensive financial services. At the end of 2025, the Bank’s number of securities customers for the third-party security custody services of trading settlement funds exceeded 100 million, with the amount of funds under custody reaching RMB673,886 million, both maintaining leading position among peers.

The Bank increased R&D investment in its third-party custody business system, empowering the digital and intelligent transformation with new technologies such as big data and AI. It strictly implemented requirements related to consumer rights protection and anti-money laundering, promoted the building of mid-and-back-office operating capabilities in its IT system and consolidated the construction of its disaster recovery system. It also provided integrated financial solutions tailored to customers’ differentiated needs.

Asset Custody Services

The Bank continued to optimise its custody business deployment, actively serving the national strategy. It served as the custodian for the first batch of sci-tech composite index ETFs, and provided custody service to nearly 1,000 asset management trusts and multiple government-guided funds. The Bank participated in building the multi-tier, multi-pillar national pension system, and provided annuity custody services to over 10,000 corporate customers. It expanded application scenarios for process-driven and automated tools, outperforming its peers in terms of transaction processing performance in its core custody system. The Bank consistently iterated and upgraded its “SMART Custody” platform, developing digital and intelligent custody featured services. The Bank identified and assessed custody business related risk factors, reinforced internal control and risk management, ensured compliant business operations, and obtained internal control assurance report with unqualified opinion issued by international institutions for 18 consecutive years. The Bank continued to build the brand value of “CCB SMART Custody”, garnering multiple awards including “Index Ecosystem Yinghua Award” by *China Fund* and “China’s Best Sub-Custodian Bank” by *Global Finance*.

At the end of 2025, assets under custody of the Bank’s domestic entities amounted to RMB27.40 trillion, an increase of RMB3.44 trillion or 14.38% over 2024. Specifically, mutual funds, insurance, wealth management products, trusts, and pension assets under custody were RMB4.60 trillion, RMB8.63 trillion, RMB2.21 trillion, RMB3.28 trillion and RMB2.06 trillion, respectively.



Pension Finance

We set our sights on building "a professional bank for pension finance", and strive to build a leading advantage in pension finance, characterized by high brand reputation, leading business indicators, extensive product and service offering and sound organizational mechanisms.





MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

OVERSEAS COMMERCIAL BANKING BUSINESS

At the end of 2025, the Group's overseas commercial banking institutions (including 20 tier-one branches and six subsidiaries) covered 28 countries and regions across six continents, and achieved stable asset growth. The Group steadily pressed ahead with the integration of Renminbi and foreign currencies, continued to deepen the regional coordinated development, and constantly enhanced its comprehensive service capabilities. With steady improvement in credit asset quality and continuous enhancement in compliance management, the risk indicators remained controllable on the whole. Operating performance of these overseas commercial banking institutions maintained robust growth, achieving a net profit of RMB12,038 million.

CCB Asia

China Construction Bank (Asia) Corporation Limited is a licensed bank registered in Hong Kong with an issued and fully paid capital of HK\$6,511 million and RMB17.6 billion. CCB Asia is the Group's full-service integrated commercial banking platform in Hong Kong, with its service scope centred on the Guangdong-Hong Kong-Macau Greater Bay Area, focusing on expanding businesses in the Chinese mainland and members of RCEP, while extending to parts of the Middle East and Central Asia. CCB Asia has traditional advantages in providing professional financial services such as overseas syndicated loans and structured finance and has rich experience in corporate

- The Bank's Singapore Branch was celebrating the Mid-Autumn Festival.

finance business, including international settlement, trade finance, financial market trading, financial advisory, green finance and trust agency services. Its targeted customers include local Blue-Chip and large Red-Chip companies, large Chinese enterprises, multinational corporations and premium local customers. CCB Asia has 28 outlets, and is also the Group's service platform for retail and small and medium-sized enterprises in Hong Kong. At the end of 2025, total assets of CCB Asia amounted to RMB502,708 million, and shareholders' equity was RMB94,839 million; net profit in 2025 was RMB6,233 million.

CCB Russia

China Construction Bank (Russia) Limited, established in Russia in 2013, is a wholly-owned subsidiary of the Bank, with a registered capital of RUB4.2 billion. CCB Russia holds a comprehensive banking license issued by the Central Bank of Russia. It is mainly engaged in corporate deposits and loans, international settlement and trade finance. At the end of 2025, total assets of CCB Russia amounted to RMB10,622 million, and shareholders' equity was RMB1,356 million; net profit in 2025 was RMB299 million.

CCB Europe

China Construction Bank (Europe) S.A., established in Luxembourg in 2013, is a wholly-owned subsidiary of the Bank, with a registered





● Team meeting of the Bank's Toronto Branch.

capital of EUR550 million. CCB Europe has established branches in Paris, Amsterdam, Barcelona, Milan, Warsaw and Hungary. CCB Europe mainly provides services to large and medium-sized enterprises in Europe as well as European multinational enterprises in China. It is mainly engaged in corporate deposits and loans, international settlement, trade finance, and cross-border financial market trading. At the end of 2025, total assets of CCB Europe amounted to RMB24,997 million, and shareholders' equity was RMB4,359 million; net profit in 2025 was RMB31 million.

CCB New Zealand

China Construction Bank (New Zealand) Limited, established in New Zealand in 2014, is a wholly-owned subsidiary of the Bank, with a registered capital of NZD199 million. CCB New Zealand holds a wholesale and retail banking license, and offers all-round and high-quality financial services, including corporate loans, trade finance, RMB clearing and cross-border financial market trading. At the end of 2025, total assets of CCB New Zealand amounted to RMB11,852 million, and shareholders' equity was RMB1,471 million; net profit in 2025 was RMB111 million.

CCB Indonesia

PT Bank China Construction Bank Indonesia Tbk is a multi-licensed commercial bank listed on the Indonesia Stock Exchange. CCB

Indonesia has 70 branches and sub-branches in Indonesia. The Bank completed the acquisition of 60% equity in PT Bank Windu Kentjana International Tbk in 2016 and renamed it PT Bank China Construction Bank Indonesia Tbk in 2017. CCB Indonesia has a registered capital of IDR3.79 trillion. CCB Indonesia actively seizes strategic opportunities such as the Belt and Road Initiative, delves into the financial needs of Chinese enterprises expanding overseas, provides in-depth services to local Indonesian companies, and focuses on developing corporate banking, trade finance, infrastructure finance, and foreign exchange settlements. At the end of 2025, total assets of CCB Indonesia amounted to RMB15,965 million, and shareholders' equity was RMB2,994 million; net profit in 2025 was RMB132 million.

CCB Malaysia

China Construction Bank (Malaysia) Berhad, established in Malaysia in 2016, is a wholly-owned subsidiary of the Bank, with a registered capital of MYR822.6 million. As a licensed commercial bank, CCB Malaysia provides various financial services, including global credit granting for large local infrastructure projects in Malaysia, and project finance, trade finance, clearing in multiple currencies and cross-border financial market trading for enterprises engaging in Sino-Malaysian bilateral trade. At the end of 2025, total assets of CCB Malaysia amounted to RMB16,332 million, and shareholders' equity was RMB1,802 million; net profit in 2025 was RMB60 million.



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

INTEGRATED OPERATION SUBSIDIARIES

The Group has 17 tier-one integrated operation subsidiaries under direct management of the head office in various business segments, including corporate finance, personal finance, treasury and asset management, and others. Actively implementing the positioning requirements of “strategic coordination, sound risk control, and commercial sustainability”, integrated operation subsidiaries focused on their main responsibilities and primary businesses, optimised supply of products and services, kept improving their comprehensive customer service capabilities as well as the quality and efficiency of serving the real economy. They achieved steady business growth and robust development on the whole. At the end of 2025, total assets of integrated operation subsidiaries were RMB872,945 million, and net profit in 2025 reached RMB9,450 million.

Corporate Finance Business Segment

CCB Financial Leasing

CCB Financial Leasing Co., Ltd., established in 2007, is a wholly-owned subsidiary of the Bank, with a registered capital of RMB11.0 billion. It is mainly engaged in finance leasing, transfer and purchase of finance lease assets, and fixed-income investment. CCB Financial Leasing focused on its main responsibilities and primary businesses, and gave play to its asset-based financing features. It actively explored business innovation and effectively promoted the transformation of the company to continuously improve the quality and efficiency of serving the real economy. At the end of 2025, total assets of CCB Financial Leasing amounted to RMB185,453 million, and shareholders' equity was RMB32,471 million. Net profit in 2025 was RMB3,085 million.

CCB P&C Insurance

CCB Property & Casualty Insurance Co., Ltd. was established in 2016 with a registered capital of RMB1.0 billion. CCB Life, Ningxia Communications Investment Group Co., Ltd. and Yinchuan Tonglian Capital Investment Operation Co., Ltd. hold 90.20%, 4.90% and 4.90% of its shares, respectively. It is mainly engaged in motor vehicle insurance, insurance for business and household property as well as construction and engineering, liability insurance, hull and cargo insurance, short-term health and accidental injury insurance, and reinsurance of the above-mentioned offerings. CCB P&C Insurance witnessed steady business development. Under the New Financial Instruments Standard and New Insurance Contracts Standard, at the end of 2025, total assets of CCB P&C Insurance were RMB1,401 million, and shareholders' equity was RMB489 million. Net profit in 2025 was RMB28 million.

CCB Consulting

CCB Engineering Consulting Co., Ltd. is a wholly-owned subsidiary acquired by CCB International Capital Management (Tianjin) Co., Ltd. in 2016, with a registered capital of RMB51 million. The name of its predecessor, CCB Cost Consulting Co., Ltd, was changed to the present one in 2018. CCB International (China) Co., Ltd, a wholly-owned subsidiary of CCB International, holds 100% shares in CCB International Capital Management (Tianjin) Co., Ltd. CCB Consulting is mainly engaged in cost consulting, whole-process engineering consulting, project management, investment consulting, and bidding agency services. On top of further sharpening traditional advantages of cost consulting, CCB Consulting strove to build core competitiveness of “financial consulting + engineering consulting”, expanded product lines and optimised offerings. At the end of 2025, total assets of CCB Consulting were RMB1,466 million, and shareholders' equity was RMB444 million. Net profit in 2025 was RMB15 million.

CCB Investment

CCB Financial Asset Investment Co., Ltd., a wholly-owned subsidiary of the Bank, was established in 2017, with a registered capital of RMB27 billion. It is mainly engaged in debt-to-equity swaps and relevant supporting businesses. CCB Investment actively and steadily advanced market-oriented debt-to-equity swaps and supported the reform of state-owned enterprises, promoted the economic transformation and upgrading, and optimised the industrial structure. It also accelerated equity investment pilot business to facilitate the growth of sci-tech enterprises and cultivate new quality productive forces. At the end of 2025, total assets of CCB Investment were RMB126,980 million, and shareholders' equity was RMB46,825 million. Net profit in 2025 was RMB3,791 million.

CCB Private Equity

CCB Private Equity Investment Management Co., Ltd. was established in 2019 with a registered capital of RMB100 million. CCB Life Insurance Asset Management Co., Ltd. holds 100% of its shares. CCB Life and CCB International (China) Co., Ltd. (a wholly-owned subsidiary of CCB International) hold 80.10% and 19.90% shares in CCB Life Insurance Asset Management Co., Ltd., respectively. CCB Private Equity is mainly engaged in private equity investment and management of national strategic emerging industry development funds and other private equity funds. CCB Private Equity gave full play to its professional edge and steadily pressed ahead with investment business. At the end of 2025, paid-in size of assets managed by CCB Private Equity reached RMB19,051 million, total assets of CCB Private Equity amounted to RMB211 million, and shareholders' equity was RMB96 million. Net profit in 2025 was RMB24 million.



CCB International

CCB International (Holdings) Limited, a wholly-owned subsidiary of the Bank in Hong Kong, was established in 2004 with a registered capital of US\$601 million. It offers through its subsidiaries investment banking related services, including sponsoring and underwriting of public offerings, corporate mergers and acquisitions and restructuring, direct investment, asset management, securities brokerage and market research. CCB International leverages its strengths in cross-border financial market services to provide customers with a full spectrum of investment and financing services across the entire value chain of investment banking. At the end of 2025, total assets of CCB International were RMB71,374 million, and shareholders' equity was RMB8,600 million. Net loss in 2025 was RMB1,445 million.¹

Personal Finance Business Segment

Sino-German Bausparkasse

Sino-German Bausparkasse Co., Ltd. was established in 2004 with a registered capital of RMB2.0 billion. The Bank and Bausparkasse Schwaebisch Hall AG hold 75.10% and 24.90% of its shares, respectively. As a specialised commercial bank committed to serving the housing finance sector, Sino-German Bausparkasse is mainly engaged in housing savings deposits and loans, residential mortgages, and real estate development loans for government-subsidised housing supported by state policies. Sino-German Bausparkasse achieved steady business development, and the sales of housing savings products amounted to RMB59,267 million in 2025. At the end of 2025, total assets of Sino-German Bausparkasse amounted to RMB44,735 million, and shareholders' equity was RMB3,148 million. Net profit in 2025 was RMB9 million.

CCB Life

CCB Life Insurance Co., Ltd. is a life insurance subsidiary invested and controlled by the Bank in 2011 with a registered capital of RMB7,120 million. The Bank, KGI Life Insurance Co., Ltd., the National Council for Social Security Fund, Shanghai Jin Jiang International Investment and Management Company Limited, Shanghai China-Sunlight Investment Co., Ltd., and China Jiayin Investment Limited hold 51%, 19.90%, 16.14%, 4.90%, 4.85% and 3.21% of its shares, respectively. It is mainly engaged in personal insurance such as life, health, accidental injury insurance and reinsurance of the above-mentioned offerings. CCB Life deepened business transformation and continued to optimise its business structure. Under the New Financial Instruments Standard and New Insurance Contracts Standard, at the end of 2025, total assets of CCB Life were RMB340,958 million, and shareholders' equity was RMB6,553 million. Net profit in 2025 was RMB768 million.²

CCB Housing

CCB Housing Services Co., Ltd. was established in 2018 with a registered capital of RMB1,196 million. CCB Dingteng (Shanghai) Investment Management Co., Ltd. and Shanghai Aijian Trust Co., Ltd. hold 75.25% and 24.75% of its shares, respectively. CCB International Innovative Investment Limited, a wholly-owned subsidiary established in Hong Kong by CCB International, holds 100% shares in CCB Dingteng (Shanghai) Investment Management Co., Ltd. CCB Housing is mainly engaged in housing rental business. CCB Housing strengthened the operation of long-term rental apartments, further cooperated with the parent bank to serve customers, and met people's housing needs by leveraging "CCB Home" platform. At the end of 2025, total assets of CCB Housing were RMB10,293 million, and shareholders' equity was RMB292 million. Net loss in 2025 was RMB285 million.

1 The data for CCB International includes CCB FinTech, CCB Housing and CCB Consulting.

2 The data for CCB Life includes CCB P&C Insurance and CCB Private Equity.



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

CCB Consumer Finance

CCB Consumer Finance Co., Ltd. was established in 2023 with a registered capital of RMB7.2 billion. The Bank, Beijing State-owned Assets Management Co., Ltd. and Wangfujing Group Co., Ltd. hold 83.33%, 11.11% and 5.56% of its shares, respectively. CCB Consumer Finance is mainly engaged in personal petty consumer loans. CCB Consumer Finance focused on its professional consumer credit function, enhanced the effectiveness of inclusive finance services, and supported the expansion of domestic demand and consumption promotion. At the end of 2025, total assets of CCB Consumer Finance were RMB16,105 million, and shareholders' equity was RMB7,172 million. Net profit in 2025 was RMB27 million.

Treasury and Asset Management
Business Segment

CCB Principal Asset Management

CCB Principal Asset Management Co., Ltd. was established in 2005 with a registered capital of RMB200 million. The Bank, Principal Financial Services, Inc. and China Huadian Industry-Finance Holdings Company Limited hold 65%, 25% and 10% of its shares, respectively. It is engaged in the raising and selling of funds, and asset management. CCB Principal Asset Management stayed committed to prudent operation and continued to enhance its professional capabilities and quality and efficiency of services. It received the "Golden Bull Fund Management Company" Award at the 22nd Golden Bull Award in the Fund Industry, presented by *China Securities Journal*. At the end of 2025, assets managed by CCB Principal Asset Management reached RMB1.53 trillion, total assets of CCB Principal Asset Management amounted to RMB11,410 million, and shareholders' equity was RMB9,732 million. Net profit in 2025 was RMB869 million.

CCB Trust

CCB Trust Co., Ltd. is a trust subsidiary invested and controlled by the Bank in 2009 with a registered capital of RMB10.5 billion. The Bank and Hefei Xingtai Financial Holding (Group) Co., Ltd. hold 67% and 33% of its shares, respectively. It is mainly engaged in trust business, investment banking and proprietary business. CCB Trust witnessed steady development of each business segment. At the end of 2025, total assets managed by CCB Trust were RMB2.36 trillion, of which the securities market business amounted to approximately RMB1.39 trillion, and the total size of risk disposal service trust, wealth management business and credit asset securitisation business exceeded RMB630 billion, all ranking top in the industry; total assets of CCB Trust were RMB48,995 million and shareholders' equity was RMB28,903 million. Net profit in 2025 was RMB413 million.

CCB Futures

CCB Futures Co., Ltd. is a futures subsidiary invested and controlled by the Bank in 2014 with a registered capital of RMB1.0 billion. CCB Trust and Shanghai Liangyou (Group) Co., Ltd. hold 80% and 20% of its shares, respectively. It is mainly engaged in commodity futures brokerage, financial futures brokerage, asset management and futures investment advisory business. CCB Trading Company Limited, a wholly-owned subsidiary of CCB Futures, is engaged in pilot risk management operations, such as warehouse receipt service, basis trading, over-the-counter derivatives business, and general trade business. CCB Futures gave full play to its professional strength, and maintained steady development in all business lines. At the end of 2025, total assets of CCB Futures were RMB14,999 million, and shareholders' equity was RMB1,285 million. Net profit in 2025 was RMB23 million.



CCB Pension

CCB Pension Management Co., Ltd. was established in 2015 with a registered capital of RMB2.3 billion. The Bank, Principal Financial Services, Inc. and the National Council for Social Security Fund hold 70%, 17.647% and 12.353% of its shares, respectively. It is mainly engaged in investment and management of national social security funds, businesses related to management of enterprise annuity funds, entrusted management of pension funds, and pension advisory service for the above-mentioned asset management activities. CCB Pension maintained steady business development. At the end of 2025, assets managed by CCB Pension reached RMB749,524 million, total assets of CCB Pension amounted to RMB4,659 million, and shareholders' equity was RMB3,781 million. Net profit in 2025 was RMB374 million.

CCB Wealth Management

CCB Wealth Management Co., Ltd., a wholly-owned subsidiary of the Bank, was established in 2019, with a registered capital of RMB15 billion. It is mainly engaged in the offering of WMPs, investment and management services of entrusted properties, and wealth management advisory and consulting services to the customers. CCB Wealth Management invested RMB560 million and RMB1.0 billion in BlackRock CCB Wealth Management Co., Ltd. and Guomin Pension & Insurance Co., Ltd., with a shareholding ratio of 40% and 8.79%, respectively. CCB Wealth Management realised coordinated development in quality, efficiency and scale on the basis of sound and compliant operation. At the end of 2025, the size of WMPs of CCB Wealth Management amounted to RMB1.74 trillion, total assets of CCB Wealth Management were RMB22,277 million, and shareholders' equity was RMB21,463 million. Net profit in 2025 was RMB1,559 million.

CCB Housing Rental

CCB Housing Rental Private Fund Management Co., Ltd., a wholly-owned subsidiary of CCB Trust, was established in 2022, with a registered capital of RMB100 million. It is mainly engaged in private equity investment fund management and venture capital fund management services. CCB Housing Rental is the general partner of CCB Housing Rental Fund and serves as both the fund manager and managing partner. CCB Housing Rental assisted in exploring the new pattern of real estate development that encouraged both housing rentals and purchases via innovation of financial instruments. At the end of 2025, assets managed by CCB Housing Rental reached RMB13,133 million, total assets of CCB Housing Rental amounted to RMB161 million, and shareholders' equity was RMB123 million. Net profit in 2025 was RMB5 million.

Other Business Segment

CCB FinTech

CCB FinTech Co., Ltd. was established in 2018 with a registered capital of RMB1,730 million. CCB Tenghui (Shanghai) Private Equity Fund Management Co., Ltd., China Central Depository & Clearing Co., Ltd., Shanghai Lianyin Venture Capital Co., Ltd., and China Development Bank Capital Co., Ltd. hold 92.50%, 2.50%, 2.50% and 2.50% in its shares, respectively. CCB International (China) Co., Ltd, a wholly-owned subsidiary of CCB International, holds 100% shares in CCB Tenghui (Shanghai) Private Equity Fund Management Co., Ltd. CCB FinTech took serving the Group as its main responsibility and primary business, engaged in software research and development (R&D) of the Group, and was responsible for the R&D quality and efficiency. It accelerated the digital and intelligent transformation of the Group by advancing the scaling up of AI applications. At the end of 2025, total assets of CCB FinTech were RMB7,109 million, and shareholders' equity was RMB1,431 million. Net profit in 2025 was RMB13 million.



● BDC Code Luban Labor Skills Competition held by CCB Fintech



Overseas Business

We strive to expand our presence in overseas markets, enhance integrated and collaborative service by mobilizing our Renminbi and foreign currency resources at home and abroad, and steadily enhance our capability to participate in international competition.



Note:

The production and operation scene of a corporate customer of the Bank's Astana Branch.



FINTECH AND CHANNEL OPERATION



The Group leverages FinTech as the core driver for business value creation. It deepens the development of specialised technical capabilities, including AI, fully explores and applies data to enhance the value conversion of data as a production factor, optimises online and offline channel operation models, advances full-channel deployment, and promotes the deep integration of business, data, and technology, so as to comprehensively propel the digital and intelligent transformation, and empower the Group's high-quality business development.



CCB Cloud's computing power scale reached **568.36** PFlops
an increase of **12.10%**
over last year, in which the proportion
of new computing power such as
graphics processing units (GPU)
accounted for more than
25.63%

A total of

4,847 FinTech patents had
been granted, an increase of
1,297 over last year

Online individual users reached

584 million

Users of "Binary Stars" reached

546 million

Number of wealth
customers via mobile
banking reached

44.52 million

"CCB Lifestyle" had

over **430 thousand**
merchant stores on board

In 2025, the Group strengthened the development of its core FinTech capabilities, utilised AI to build an efficient, intelligent, and secure FinTech system, optimised R&D management, and enhanced the quality and efficiency of technology supply, thereby ensuring the secure and stable operation of the Group's networks and information systems. It made efforts to construct a system for data intelligence application, diversifying data use scenarios and solidifying the supportive role of data. It refined the layout for channel development, expanded processing scenarios for centralised operations, and pressed ahead with process optimisation with a customer-centred focus. The Group sped up its construction of "binary stars" platforms to drive business growth with traffic. It developed innovative cross-border scenarios, seeing rapid growth in e-CNY business. It also deeply integrated sci-tech innovation into the entire chain and all domains of business development, building a new landscape for digital transformation to constantly empower business operations.

FinTech

The Group focused on its core business responsibilities, coordinated development with security, optimised models for business requirements coordination and sci-tech projects management, and promoted the integration of business, data, and technology and agile delivery. It built self-reliant and controllable IT infrastructure, systematically enhanced its professional capabilities in big data, constantly consolidated the Group's integrated cybersecurity safeguarding capabilities, and robustly supported its business development.

The Group optimised models for business requirements coordination and sci-tech projects management. It established a Business Requirements R&D Centre, focusing on the Bank's key tasks to create a centralised requirements R&D model. In 2025, the efficiency in processing business requirements increased by 7.97% over 2024. Under the centralised model, the density of user test cases increased by 15.1% over 2024, demonstrating a clear improvement in the quality and efficiency of business requirements coordination. The Group optimised the sci-tech projects management model to promote agile R&D and delivery. In 2025, it initiated 289 sci-tech projects, and deployed a total of 86,611 requirements, an increase of 10.2% over 2024, providing strong support for the launch of key projects such as Salary Disbursement Service, Treasury Management, Cash Management, and Mobile Banking.



The Group was committed to building self-reliant and controllable IT Infrastructure. Among large state-owned commercial banks, the Group pioneered in completing the comprehensive architectural transformation of its core banking system. In 2025, the "Project for the Complete Migration of the Mainframe-Based Core Banking System" won the first prize in the PBOC's "FinTech Development Awards". In terms of "CCB Cloud", the Group improved the layout of "Multi-Zone, Multi-Region, Multi-Technology Stack and Multi-Chip". It continued to press ahead with the construction of secure, compliant, trustworthy, and efficient computing power platforms, building a new computing power system that integrates intelligent and general-purpose computing power. The overall size and cloud service capabilities of "CCB Cloud" are currently at an industry-leading level. At the end of 2025, the total computing power of "CCB Cloud" reached 568.36 PFlops (FP32), an increase of 12.10% over 2024, with new computing power like Graphics Processing Units (GPUs) accounting for over 25.63%.

The Group systematically enhanced its professional capabilities in big data. It built a cross-regional multi-active operation support capability for its big data platform, enabling cross-regional data job scheduling, ensuring consistency for cross-regional big data tasks and data. It continued to optimise the processing efficiency of big data platform, achieving an average daily data processing volume of 111.68 billion records, with a peak exceeding 140 billion records per day. It strengthened the basic infrastructures of the financial-grade distributed platform. The distributed micro-services platform handles an average of three billion transactions on a daily basis, with a peak processing rate of 54,000 transactions per second, a transaction success rate of 99.9999%, and an average processing time below four milliseconds.

The Group continued to strengthen its integrated group-wide cybersecurity safeguarding capabilities. It carried out routine and realistic security operations, screened and rectified vulnerabilities at the group level, continued to perform penetration testing, and actively exercised group-wide cybersecurity attack and defence drills and blackmail emergency drills. It enhanced the depth and reach of its cybersecurity management, establishing a unified group-wide cybersecurity protection system. It advanced security technology innovation, with forward-looking initiatives in the research and validation of post-quantum cryptography migration for the financial industry. The mobile banking application was integrated with the national network identity authentication system. It also applied AI technologies in areas such as code security scanning, security alert analysis, and phishing email drills, to elevate its cybersecurity capabilities. The Group also bolstered the practical capabilities of its cybersecurity teams through technical training and attack-defence competitions. It actively participated in attack-defence exercises organised by regulators and various cybersecurity contests, achieving excellent results.

The Group continued to improve the quality and efficiency of its technology R&D and strengthened the cultivation of FinTech talents. At the end of 2025, the Group's FinTech investments were RMB26,722 million, accounting for 3.61% of operating income. The Group had been granted a total of 4,847 FinTech patents, an increase of 1,297 over 2024, including 3,561 invention patents. At the end of 2025, the number of digital finance personnel³ of the Group was 30,085, accounting for 7.95% of its total headcount.

Feature article No.6

Accelerating the integration and innovation of AI and business

The Group actively implemented the State Council's *Opinions on Further Advancing the "AI+" Initiative*, profoundly seizing the opportunities presented by the new wave of sci-tech revolution and industrial transformation represented by AI technology. It has formulated the *"AI+" Work Advancement Plan*, focusing on building AI capabilities to establish a full-chain, enterprise-level AI technology system covering data, models, computing power, and security, thereby creating a virtuous development pattern of "technology as its foundation, scenarios for empowerment, and value conversion". By the end of 2025, AI-based large model technology had been deployed at scale to empower 398 scenario applications across the Group, deeply penetrating key areas such as wealth management, inclusive finance, risk management, and technology R&D. The whole-process AI application for credit approval, recognised for its significant efficiency gains and risk control effectiveness, was honoured as one of the "Top Ten FinTech Achievements" at the 2025 Annual Conference of Financial Street Forum, demonstrating the Group's industry influence and technical leadership in the field of financial AI. The Group continued to improve its AI infrastructure, and expedited the deployment of intelligent computing power, building a secure, controllable, and elastically scalable computing power support system. It will continue to track AI technology development trends, deepen AI technological innovation and application, promote intelligent upgrading across all business processes, enhance customer service experience, build differentiated competitive advantages, and take solid actions to create new-quality productive forces.

3 To thoroughly implement national digital finance initiatives and further strengthen the cultivation of digital finance talents, the Bank has made appropriate adjustments to relevant statistical standards based on practical needs. The statistical scope includes professionals in Fintech, digitalisation promotion, operation and management.



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Entities and Outlets

The Group provided its customers with convenient and high-quality banking services through its widespread branches and sub-branches, self-service facilities, specialised service entities and e-banking service platforms. At the end of 2025, the Group had a total of 14,614 operating entities. The Bank had 14,079 operating entities consisting of 14,045 domestic entities including the head office, two branch-level specialised entities, 37 tier-one branches, 363 tier-two branches, 13,631 sub-branches, 11 outlets under the sub-branches, and 34 overseas operations. The Bank's 23 major subsidiaries (including 17 integrated operation subsidiaries and six overseas banking subsidiaries) had a total of 535 entities, including 409 domestic ones and 126 overseas ones.



● The Banking Department of the Bank's Hebei Xiong'an Branch located at Xiong'an Business Service Centre.

The following table sets forth the distribution of the Group's operating entities by region as at the dates indicated.

	31 December 2025		31 December 2024	
	Number of entities	% of total	Number of entities	% of total
Domestic operations of the Bank	14,045	96.11	14,166	96.04
Yangtze River Delta	2,217	15.17	2,239	15.18
Pearl River Delta	1,776	12.15	1,799	12.20
Bohai Rim	2,373	16.24	2,380	16.14
Central	3,430	23.47	3,424	23.21
Western	2,915	19.95	2,939	19.92
Northeastern	1,330	9.10	1,381	9.36
Head Office	4	0.03	4	0.03
Overseas operations of the Bank	34	0.23	35	0.24
Subsidiaries	535	3.66	549	3.72
Total	14,614	100.00	14,750	100.00

The Group continued to optimise its outlet layout, enhance the effectiveness of its outlet operations and support resource input in channel construction in counties and regions such as the Beijing-Tianjin-Hebei region, the Yangtze River Delta, and the Guangdong-Hong Kong-Macau Greater Bay Area. In 2025, the Bank relocated 248 outlets for better development, including 80 county-level outlets, and set up 32 new outlets, including 23 county-level outlets. The Bank optimised the configuration of self-service channel, with 40,401 ATMs and 34,292 smart teller machines in operation, to support business processing comprehensively. Specifically, it set up 12,775 ATMs and 10,447 smart teller machines at county-level outlets. It opened 13,700 "Workers' Harbours" to the public, transformed and upgraded to specialised and differentiated services, expanded the service scope in fields such as elderly-friendly and disabled person services, integrated government affairs services, rural revitalisation, green and low carbon transformation.

Adhering to the “customer-centred” service concept, the Group accelerated the construction of enterprise-level operation system. It continued to optimise business processing procedures for problems affecting customer and employee experience, and deeply promoted online digital counter business. Leveraging channels such as mobile banking, “CCB Lifestyle”, and official WeChat account, the Group improved the functions of “outlet service” channel, expanded pre-processing for business appointments, promoted all-channel business deployment, and provided customers with “one-stop” and “one-click” services, reducing the need for customers to visit outlets and their waiting time. Business items that are time-consuming and highly specialised for counter staff were progressively centralised for processing at the head office, greatly improving business processing efficiency. The Group fully utilised intelligent technologies, including large models and robotic process automation (RPA) to improve the quality and efficiency of centralised operation, driving group-wide efficiency improvement.



- “Xiao Longnv,” an intelligent humanoid robot, was put into daily operational use by the Bank's Shanghai Branch.



- The Bank's Suzhou Branch is dedicated to building featured outlets characterised with technology innovation, providing more precise and thoughtful exclusive services to sci-tech enterprises.



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Online Channels

The Bank expedited the development of its “binary stars” platform as the primary online business front, promoted integrated operation of “binary stars”, supported the special initiatives to boost consumption, and continued to enhance the user experience for convenient services. In terms of personal mobile banking, the Bank focused on improving financial service capabilities and user experience, strengthened the online operation of wealth management and credit businesses, facilitated the growth of customers’ online assets, and promoted online value creation. In terms of “CCB Lifestyle”, the Bank deepened its capabilities in platform-based consumption finance and lifestyle scenario services, promoted scenarios such as smart canteen and government-issued consumption coupons to improve the quality and efficiency of platform services. At the end of 2025, the Bank had 584 million online personal users. The number of “binary stars” platform users was 546 million, with monthly active users (MAU) amounting to 246 million. In 2025, 194 million users conducted financial transactions on the “binary stars” platform, outperforming peers. The number of card-linked fast payment users was 493 million.

Mobile Banking

The Bank prioritised user experience, optimising business workflows and interaction design for high-frequency function services on the personal mobile banking app. It simplified the security verification processes for user login and device binding changes, extended the query period of account transaction details to 15 years, promoted the new version of gains centre, and continued to improve its app performance. Targeting the needs of key customers, the Bank developed differentiated and caring financial products and services with innovative features such as “Easy Repayment” and “Fast Saving”, enhanced the elderly-friendly service level, and upgraded the senior version with clearer fonts, more understandable icons, and easier-to-find functions. The Bank strengthened the coordination between online and offline channels, and expanded scenarios of whole-process online processing including online appointment pre-processing scenario. It launched a new version of corporate mobile banking app, featuring comprehensive upgrades to its four core sections (i.e., Home Page, Investment & Financing, Cloud Services, and Corporate Business Services), with optimised functionality layout, interaction, and adaptation to HarmonyOS version. It enhanced channel intelligence, supporting AI-powered smart recognition of transaction information in functions like transfers and payroll agency, increasing convenience for customers. The number of customers with assets on personal mobile banking totalled 441 million, an increase of 3.95% over 2024. Specifically, the number of active customers of personal mobile banking with assets exceeding RMB10 thousand increased by 15.82% over 2024. The number of corporate mobile banking users reached 9.14 million, an increase of 30.11% over 2024.

CCB Lifestyle

Focusing on consumer finance scenario development, the Bank deepened the integrated operation of its “binary stars” platform, constantly advanced its platform-based ecosystem and scenario operation capabilities, and enhanced the non-financial lifestyle service experience for customers. The platform had a total of 180 million registered users, with over 0.43 million merchant stores on board and “Smart Canteen” covering 13.6 thousand units. In 2025, it facilitated the origination of retail credit, including residential mortgages, personal consumer loans, and credit card instalments, exceeding RMB230 billion. The Bank actively supported the special initiatives to boost consumption, undertaking the disbursement of and granting nearly RMB10 billion in consumer subsidies across 198 cities, stimulating nearly RMB100 billion in household consumption.

Online Banking

The personal online banking platform focused on enhancing foundational user experience by refining core financial service journeys, standardising the processing of rarely-used Chinese characters and launching the Cross-border Payment Express service. Corporate online banking platform underwent comprehensive upgrades to its core capabilities and customer operating experience. The Bank optimised its centralised processing capabilities with the launch of four new centres (i.e., Download Centre, Task Centre, Message Centre, and Help Centre), enhancing business processing efficiency. It diversified product functionalities with additions such as the “Salary Disbursement Service”, “Elderly Care Platform” and “Corporate Long Wallet”, and introduced a Wealth Management Edition. The Bank streamlined the on-boarding and application processes for key corporate products, and added an integrated receipt and settlement of foreign exchange process. The corporate online banking platform for overseas operations achieved full coverage of key functions including fund transfers, foreign exchange trading, and time deposits. At the end of 2025, the number of personal online banking users was 434 million, an increase of 2.06% over 2024. The number of corporate online banking users was 16.71 million, an increase of 9.82% over 2024.



Online Payment

The Bank actively supported the special initiatives to boost consumption, consistently providing smooth and convenient payment experiences. In 2025, CCB had 65,726 million online payment transactions, amounting to RMB21.54 trillion. The number of card-linked fast payment users was 493 million, ranking first among its peers in the domestic market share of payment institutions such as Alipay, Douyin, Meituan and Pinduoduo.

Remote Intelligent Banking

Adhering to the “customer-centred” concept, the Bank strove to deliver high-quality financial services. It constantly advanced service management upgrades, service model innovation, and the expansion of service scenarios, striving to create a more intelligent, convenient, precise, and excellent customer service experience. It actively responded to customer needs and expectations, so as to satisfy the financial service demands of customers and help realise people’s aspirations for a better life. The Bank persisted in advancing its digital and intelligent transformation, and provided remote comprehensive financial services for domestic and overseas customers anywhere and anytime through featuring multimedia, multiple scenarios, and various service functions. The Bank comprehensively advanced the “AI+” initiative, widely applying cutting-edge technologies such as large models, video-enabled customer service, and digital avatars to diversify service offerings. It flexibly utilised the new media matrix of service account “CCB Customer Service” to create a convenient, integrated online service experience. The Bank continued to expand the application of data from its remote intelligent banking operations across multiple domains, conducting targeted online invitations for key services and coordinating with branches for follow-up, thereby driving the realisation of commercial opportunities identified via remote channels. The Bank deepened its efforts to provide high-quality financial services, offering differentiated and professional services to customer groups such as the elderly and overseas customers. It consistently refined the closed-loop, whole-process management of customer issues, resolving customer concerns efficiently. In 2025, the Bank’s Remote Intelligent Banking Centre served over 400 million customer inquiries across all channels, with the satisfaction rate of customer service hotline reaching 99.95%.

E-CNY

In 2025, under the unified coordination of the PBOC, the Bank achieved good progress in the research, development, and application of e-CNY. CCB’s system capabilities and product service offerings continued to improve. Effective from 1 January 2026, the Bank began paying interest on the balance of real-name e-CNY wallets opened with the Bank at its cost ratio of demand deposits, with interest calculation and payment rules consistent with those for demand deposits.

The Bank maintained a leading position in terms of the major e-CNY indicators, ranking first among its peers in terms of the cumulative transaction volume and second in terms of cumulative transaction amount. The number of active personal wallets, active corporate wallets, active merchants, and transaction amount (including transfers and consumption) for e-CNY continued to grow rapidly. The Bank consistently enhanced its risk prevention and control capabilities. In 2025, it developed a series of new anti-gambling and anti-fraud models, and optimised existing models, with effectiveness metrics for the e-CNY models showing comprehensive improvement.

The promotion of mature application scenarios yielded significant results. Scenarios such as housing provident fund contributions, payroll agency, agency fiscal services, and campus payments were rapidly expanded. Transaction amount for e-CNY payments of housing provident funds grew swiftly throughout the year, and the number of campus scenarios integrated via agreement-based payments increased substantially. The Bank made significant progress in operating enterprise-level e-CNY ecosystem scenarios, with its “Programmed Payment”⁴ product successfully implemented in scenarios such as supervision over government funds and oversight of project payments. In terms of cross-border payments, the Bank established a two-way channel, with the e-CNY payment service for the Hong Kong region, developed in cooperation with a peer in Hong Kong, officially launched, supporting the Chinese mainland residents in making payments at merchants of the cooperating Hong Kong bank. Additionally, it successfully implemented the first bilateral cross-border settlement application of e-CNY between China and Singapore.



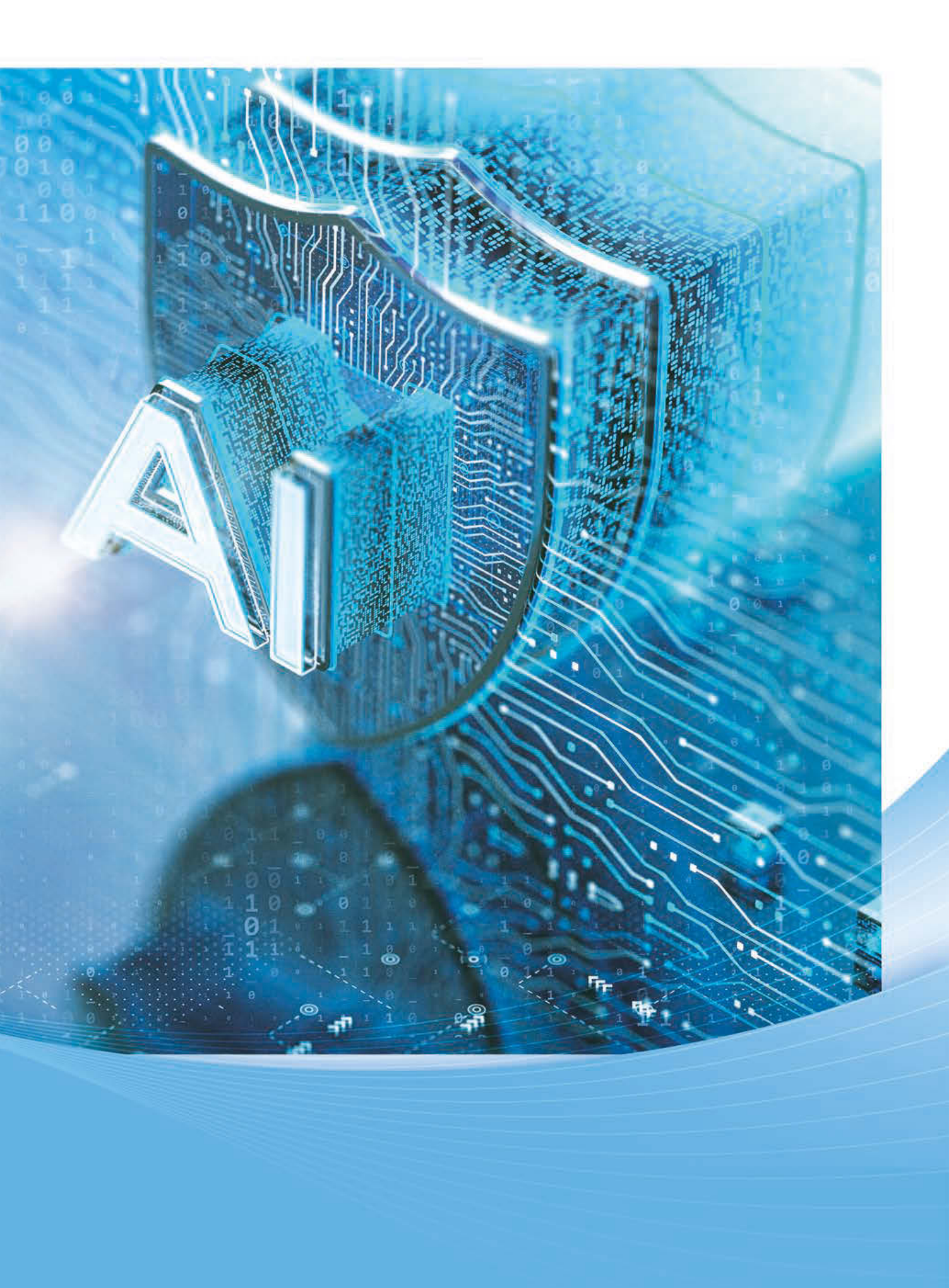
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4 Programmed Payment is a new-generation intelligent payment product developed by CCB based on the programmable features of e-CNY. It digitises contractual terms, regulatory requirements, and internal policies into smart contracts for automated execution.



Digital Finance

We continue to push forward our digital transformation, and enhance the effectiveness of digital empowerment in business. In addition, we are committed to serving the digital economy, actively supporting the integration of digital and real economies.





MANAGEMENT DISCUSSION AND ANALYSIS

RISK MANAGEMENT

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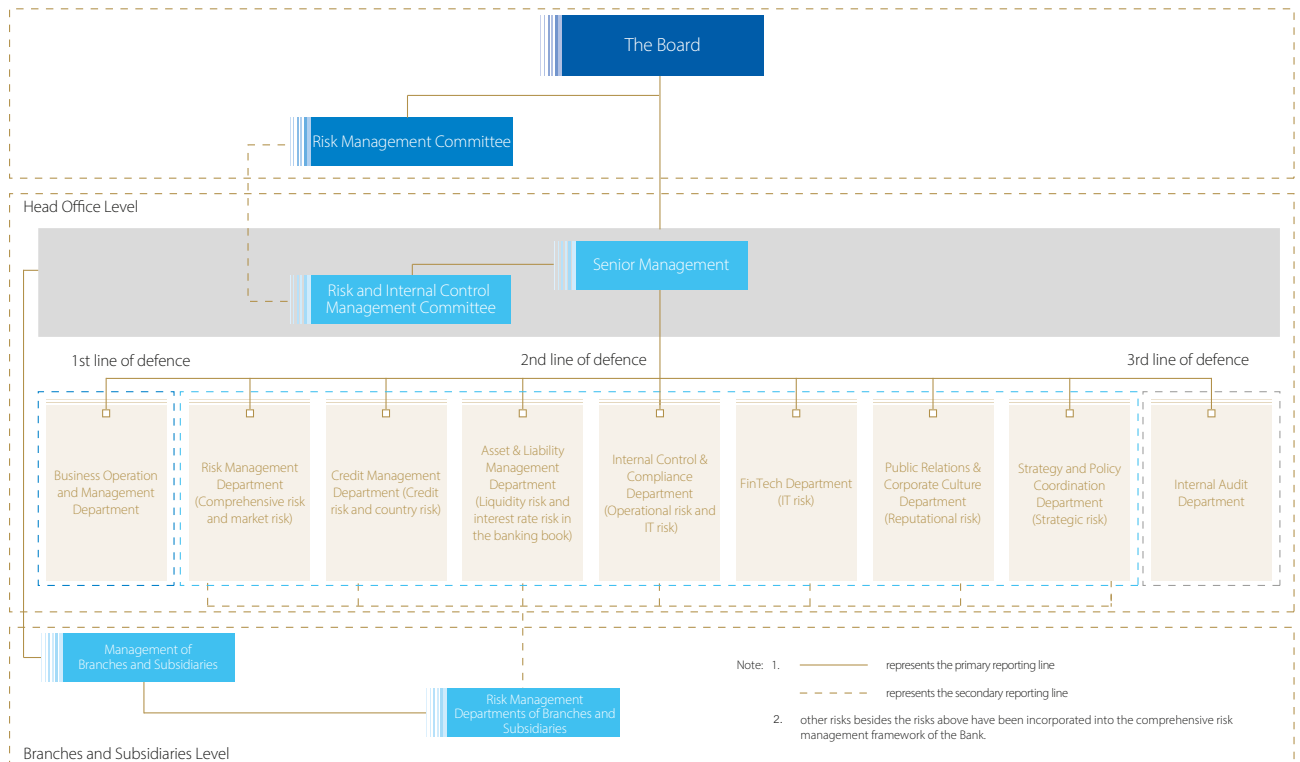


The Group adheres to a comprehensive risk management concept featuring “full coverage, whole processes, all participation, systemic knowledge, global vision, and group-wide governance enhancement”. It continues to improve its risk management, internal control and compliance management systems and mechanisms, clarifies and enforces the responsibilities of “three lines of defence”, strengthens checks and balances and coordination, and enhances the integrated risk governance of overseas operations and subsidiaries. The Group’s capability to prevent financial risks is steadily elevated.

The Group continued to improve its comprehensive, proactive and intelligent risk management system. The Group beefed up its efforts in “comprehensive risk management”. It revised the Rules on *Comprehensive Risk Management* to improve the comprehensive risk governance framework, identify management responsibilities and requirements for various risks, and further clarify the risk management roles of the “three lines of defence” in operation and management; it continued to improve the risk and internal control management system, and reinforced risk checks and balances in key processes including business eligibility, rating, approval, and post-lending management. The Group bolstered “proactive risk management”. Anchoring its efforts on asset quality control objectives, the Group implemented differentiated measures for risk prevention and control in key areas, and improved the quality and efficiency of non-performing assets resolution; it enhanced the mechanism for credit risk management of inclusive finance, and facilitated intensive operation of inclusive finance and retail credit; and it conducted joint inspections of the credit business to elevate the capability of compliance management in the credit business. The Group strengthened “intelligent risk management”. Driven by AI technologies, the Group embedded digital risk control tools into its business processes, and established an intelligent risk control system integrating “online + offline” and “intelligent + manual” operations. The Group also updated its recovery and resolution plans on an annual basis, and made continuous improvements in areas such as total loss-absorbing capacity (“TLAC”), large exposures, effective risk data aggregation and risk reporting, so as to meet the additional regulatory requirements for systemically important banks.

RISK MANAGEMENT STRUCTURE

The Bank's risk management organisational structure comprises the Board and its specialised committees, senior management and its specialised committees, business operation and management departments, risk management departments, and internal audit departments. The framework is as follows.



The Board fulfils its risk management responsibilities pursuant to the Articles of Association of the Bank and regulatory requirements. The Board and its Risk Management Committee are responsible for developing risk management strategies and supervising the implementation of such strategies, evaluating the Group's overall risk profile, conducting regular reviews of the Group's statements of risk appetite and communicating the Group's risk appetite through relevant policies. Senior management and its Risk and Internal Control Management Committee are responsible for executing risk management strategies developed by the Board and organising the implementation of comprehensive risk management across the Group.

Risk Management Department is the lead department responsible for the Group's comprehensive risk management and leads market risk management. Credit Management Department is responsible for the Group's overall credit risk management and leads country risk management. Asset & Liability Management Department is the lead department responsible for the management of liquidity risk and interest rate risk in the banking book. Internal Control & Compliance Department is the lead department responsible for operational risk management. FinTech Department and Internal Control & Compliance Department take joint responsibility in leading IT risk management. Public Relations & Corporate Culture Department is the lead department responsible for reputational risk management. The Strategy and Policy Coordination Department is the lead department responsible for strategic risk management. Other risks are managed under the Group's comprehensive risk management framework in accordance with relevant policies and division of responsibilities.



MANAGEMENT DISCUSSION AND ANALYSIS

RISK MANAGEMENT

The Bank continued to improve its group-wide integrated risk management system and effectively strengthened look-through risk management of its subsidiaries. Adhering to a prudent operation principle, it strengthened risk appetite management of subsidiaries, improved the pertinence and effectiveness of the risk management policy of “One Policy for One Subsidiary”, and clearly defined differentiated risk control priorities for different types of subsidiaries. The Bank further reinforced constraints based on policies by effectively addressing the weaknesses in subsidiaries’ policies and regulations, and enhanced the refined management of subsidiaries in terms of authorisation, limits, and approval. Additionally, it conducted risk scanning and detection of subsidiaries to clarify the risk profile, and bolstered risk management of key subsidiaries and key businesses, thereby laying a solid foundation for the high-quality development of its subsidiaries.

**Feature
article No. 7**
Expediting the development of an intelligent risk control system

Adhering to a customer-centred approach, the Bank integrated FLMs, small models, and rule-based strategies to establish an AI technology-driven intelligent risk control system characterised by deep integration of “online + offline” and “intelligent + manual” operations. By creating two access points including PC and mobile devices, the Bank aggregated and embedded the Group’s risk control capabilities into business processes, to constantly enhance the foresightedness, proactiveness, and effectiveness of risk management.

Panoramic view for full visibility. The Bank provided a panoramic view of customer risks and a full-exposure view of customer risks, achieving comprehensive, real-time, centralised, and accurate integration of risk data across the Group. The Bank shared the views with risk control personnel across all processes. The two views received an average of over two million visits per day, effectively supporting the Bank’s risk identification and decisions.

Proactive interception based on precise early warning. The Bank deployed tools such as the online business risk scanning and detecting system (RSD), the risk model decision system (RMD) and the risk alert and detecting system (RAD). The RSD enables non-intrusive, high-frequency and efficient, real-time and dynamic interception of risks at the bottom line. The RMD facilitates group-wide participation in model development and support for portfolio decisions. The RAD effectively supports branches and sub-branches to address risks in a forward-looking manner, promoting early detection and warning of risks.

Integration into processes for closed-loop control. The Bank established an in-process monitoring platform to develop anomaly detection models, and embedded them into key processes of credit business to form a closed-loop mechanism of “online detection, offline verification, and in-process control” for anomalies of rules compliance. The platform takes only four or five seconds to complete real-time reassessment of exposures to full-product portfolios in investment and trading business, with automated monitoring and alert for limit breaches.

AI-empowered agile iteration. The Bank widely integrated AI into risk control applications. It launched a series of professional intelligent risk control applications such as intelligent rating, AI application across the entire credit approval process, and the Rule Intelligence, reshaping the roles and functional modules of key personnel, and facilitating the shift of risk management toward intelligent “perception, decision, and action”.



BUILDING OF RISK AND COMPLIANCE CULTURE

The Group continued to foster a “steady, prudent, comprehensive and proactive” risk culture. It promoted the effective integration of risk culture into management mechanism, rules and policies, business procedures, operating process, technical tools, code of conduct, as well as business management. It identified risk culture as the focus of training, and advocated the risk concept in multiple forms. It attached great importance to the building of risk management team, expanded the reserve of international risk management talents, and enhanced its professional capabilities.

The Group constantly promoted the building of compliance culture, deepened the concept of “proactive compliance by all employees, and value creation through compliance”, and promoted professional ethics and value propositions of honesty and integrity to improve compliance awareness of all employees.

GROUP RISK APPETITE AND TRANSMISSION

The Group’s risk appetite is reviewed by the Board and implemented by senior management. With careful study of future development, focusing on “what to do and not to do, and how much risk will be assumed if we do”, risk appetite clarifies the basic positioning of business development and the risk-taking boundary, and constantly plays a leading role in coordinating development and security.

The Group maintained a steady and prudent risk appetite, and adhered to the basic principle that business development should be subject to risk prevention and control capabilities. Focusing on the deployment of national strategies, the Group effectively implemented the “Five Priorities” in finance, substantially increased support for major strategies, key areas and weak links, and constantly improved the accuracy, availability and suitability of financial services. It emphasised the balance between development and security, and focused on improving the six core capabilities of value creation, asset quality control, structural adjustment, risk early warning, intelligent risk control and coordinated risk control at “three lines of defence”. The Group specified qualitative requirements and quantitative indicators of various key risks and highlighted effective connections with management tools such as subsequent business plans, credit policies, risk limits, capital management and performance assessment. The framework of the Group’s unified risk policies and standards reflects the differences in development positioning of various subsidiaries.

CREDIT RISK MANAGEMENT

The Group attached great importance to credit risk management, and deepened the integrated look-through credit risk management at the group level. As such, the overall credit risk maintained stable and controllable in 2025.

The Group firmly safeguarded the bottom line of risk prevention and control. It continued to adjust and optimise the composition of credit assets, effectively implemented the “Five Priorities” in finance, and enhanced financial support and services for key national strategies, and key areas and weak links in economic and social development. The Group effectively promoted the prevention and mitigation of credit risks in key areas, enhanced credit risk monitoring and forward-looking response, improved the mechanism of collaborative checks and balances in key processes, and advanced centralised risk control in inclusive finance and retail credit. The Group strictly implemented the *Rules on Risk Classification of Financial Assets of Commercial Banks*. It followed the principle of substantive risk judgement, and conducted risk classification in an accurate and compliant manner in line with the three-step procedure of “initial classification, identification and approval”. It adhered to the high-quality implementation of the ECL approach, timely made adequate loss provisions, and maintained strong risk mitigation capacity.

The Group enhanced its risk measurement capabilities. It upgraded its credit rating models for key customers to support the development of strategic businesses; it developed a comprehensive evaluation tool for sci-tech innovation to reasonably assess credit risks of sci-tech enterprises; it pressed ahead with the integration of ESG elements into customer credit rating to support the development of green finance; it developed a credit risk evaluation tool for medium-sized enterprises to enhance the risk management and control in key areas; it strengthened the interception functions of the online business risk screening system, identified the characteristics of high-risk customers, and enriched pre-lending control rules; and it refined the scorecard tool for retail credit business, and innovated the development and application of integrated models, to improve the risk identification capabilities.



MANAGEMENT DISCUSSION AND ANALYSIS

RISK MANAGEMENT

The Group optimised the comprehensive financing approval and management mechanism. It incorporated both credit and non-credit investment and financing businesses conducted in its financing services for corporate customers, such as credit, trading, and investment, into a unified and comprehensive financing approval and management framework, clarified management mechanism and responsibility boundaries, strengthened collaborative checks and balances, optimised process design, and effectively strengthened integrated and collaborative risk control at the group level. It clarified the primary and principal responsibilities of customer operation and risk management of the first line of defence, and gave full play to the role of professional empowerment, risk control and collaborative services of the second line of defence. It developed an intensive and efficient process for key customers and businesses with high requirements for timeliness, so as to constantly improve its market competitiveness.

The Group strengthened its special assets resolution. It maintained effective risk mitigation and disposal, and improved the capacity, quality and efficiency of non-performing assets disposal. With the effective management and timely disposal of non-performing assets, the Group sped up the flow of credit funds, and provided solid support for the bank-wide strategy implementation, operation management and control, structural adjustment and profitability enhancement.

Case story No. 6

Advancing AI application across the entire credit approval process

The Bank systematically pressed ahead with the implementation of “AI application across the entire credit approval process”, establishing an “AI-assisted + expert decision-making” credit approval model. This technological innovation aimed to enhance both the quality and efficiency of credit approval. On the one hand, the Bank enhanced the quality and capability of business application and approval decision-making. Based on a knowledge base for credit approval that encompasses both public and proprietary data, the Bank leveraged the autonomous perception and planning capabilities of multimodal FLMs to distil the tacit knowledge of seasoned approval experts from historical approval cases and specialised research materials, thus converting it to an explicit knowledge repository such as chains of thought. This process helps summarise core risk points for similar businesses and the Bank’s differentiated credit strategies, thereby ensuring smooth transmission of risk appetite. On the other hand, the Bank utilised FLM technology to tangibly reduce the workloads and improve efficiency for business processing staff. Such technology enables generation of drafts of rating review opinions covering five modules within one minute, automatic assessment of the compliance with policies for comprehensive financing business, and preparation of drafts of review opinions spanning over ten pages, achieving a generation rate of up to 90%. Reviewers can then polish up these drafts before submission. These functions have now been widely deployed across the Group’s domestic and overseas operations, generating over 50,000 documents monthly on average and significantly reducing documentation burdens.

The “AI application across the entire credit approval process” is a flagship project among the Bank’s first batch of digital and intelligent risk control initiatives. In 2025, despite the double-digit year-on-year increase in the volume of business requiring manual approval, the project served more than 113,000 corporate customers and reduced the average net approval period by over 30%. The project was listed among Top 10 Achievements at the Fintech Conference of the Annual Conference of Financial Street Forum 2025, the “Top 10 Application Award” at the Fintech Application Scenario Competition 2025, and the Excellent Cases of Financial New Quality Productivity 2025 by China Economic Information Service under Xinhua News Agency.



Distribution of Loans by Five-category Classification

The following table sets forth the distribution of the Group's loans by five-category classification under which NPLs include substandard, doubtful and loss as at the dates indicated.

(In millions of RMB, except percentages)	31 December 2025		31 December 2024	
	Amount	% of total	Amount	% of total
Normal	26,867,143	96.92	24,961,689	96.77
Special mention	490,731	1.77	487,337	1.89
Substandard	103,874	0.38	97,272	0.38
Doubtful	73,426	0.26	105,356	0.41
Loss	186,682	0.67	142,063	0.55
Gross loans and advances excluding accrued interest	27,721,856	100.00	25,793,717	100.00
NPLs	363,982		344,691	
NPL ratio		1.31		1.34

The Group adhered to the substantive risk judgement, strictly implemented relevant provisions on risk classification, and accurately reflected the level of risks. At the end of 2025, the balance of the Group's NPLs was RMB363,982 million, an increase of RMB19,291 million over 2024. The NPL ratio was 1.31%, a decrease of 0.03 percentage points from 2024. Special mention loans accounted for 1.77% of gross loans and advances excluding accrued interest, a decrease of 0.12 percentage points from 2024.

Distribution of Loans and NPLs by Product Type

The following table sets forth the distribution of the Group's loans and NPLs by product type as at the dates indicated.

(In millions of RMB, except percentages)	31 December 2025			31 December 2024		
	Loans and advances	NPLs	NPL ratio (%)	Loans and advances	NPLs	NPL ratio (%)
Domestic loans and advances of the Bank	26,834,069	348,391	1.30	24,938,748	325,868	1.31
Corporate loans and advances	15,690,859	240,384	1.53	14,434,401	238,687	1.65
Short-term loans	4,235,650	74,583	1.76	4,014,375	82,843	2.06
Medium to long-term loans	11,455,209	165,801	1.45	10,420,026	155,844	1.50
Personal loans and advances	9,050,497	108,007	1.19	8,872,595	87,181	0.98
Residential mortgages	5,991,328	53,269	0.89	6,187,858	38,735	0.63
Personal business loans	1,315,605	20,773	1.58	1,021,693	16,282	1.59
Credit card loans	1,009,100	23,860	2.36	1,065,883	23,680	2.22
Personal consumer loans	683,174	7,321	1.07	527,895	5,752	1.09
Other loans	51,290	2,784	5.43	69,266	2,732	3.94
Discounted bills	2,092,713	–	–	1,631,752	–	–
Overseas operations and subsidiaries	887,787	15,591	1.76	854,969	18,823	2.20
Gross loans and advances excluding accrued interest	27,721,856	363,982	1.31	25,793,717	344,691	1.34



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Distribution of Loans and NPLs by Region

The following table sets forth the distribution of the Group's loans and NPLs by region as at the dates indicated.

(In millions of RMB, except percentages)	31 December 2025			31 December 2024		
	Loans and advances	NPLs	NPL ratio (%)	Loans and advances	NPLs	NPL ratio (%)
Yangtze River Delta	5,772,902	48,550	0.84	5,240,886	43,845	0.84
Pearl River Delta	4,303,152	86,633	2.01	4,169,575	82,590	1.98
Bohai Rim	4,696,417	56,441	1.20	4,338,437	48,047	1.11
Central	4,727,097	57,045	1.21	4,290,781	58,713	1.37
Western	5,273,064	60,585	1.15	4,855,020	52,990	1.09
Northeastern	1,105,191	22,517	2.04	1,039,321	24,170	2.33
Head Office	1,101,691	23,912	2.17	1,142,742	23,735	2.08
Overseas	742,342	8,299	1.12	716,955	10,601	1.48
Gross loans and advances excluding accrued interest	27,721,856	363,982	1.31	25,793,717	344,691	1.34

Distribution of Loans and NPLs by the Industry in which Customers Operate

The following table sets forth the distribution of the Group's loans and NPLs by the industry in which customers operate as at the dates indicated.

(In millions of RMB, except percentages)	31 December 2025				31 December 2024			
	Loans and advances	% of total	NPLs	NPL ratio (%)	Loans and advances	% of total	NPLs	NPL ratio (%)
Domestic loans and advances of the Bank	26,834,069	96.80	348,391	1.30	24,938,748	96.69	325,868	1.31
Corporate loans and advances	15,690,859	56.60	240,384	1.53	14,434,401	55.96	238,687	1.65
Leasing and commercial services	2,831,419	10.21	44,575	1.57	2,616,609	10.14	44,639	1.71
Transportation, storage and postal services	2,587,380	9.33	14,991	0.58	2,389,026	9.26	17,643	0.74
Manufacturing	2,416,735	8.72	34,899	1.44	2,172,903	8.42	37,362	1.72
Production and supply of electric power, heat, gas and water	1,755,960	6.34	12,087	0.69	1,600,664	6.21	11,655	0.73
Wholesale and retail trade	1,485,794	5.36	33,114	2.23	1,393,050	5.40	34,725	2.49
Real estate	905,583	3.27	44,635	4.93	908,380	3.52	43,518	4.79
Construction	800,737	2.89	24,435	3.05	699,150	2.71	19,207	2.75
Water, environment and public utility management	814,281	2.94	8,307	1.02	761,752	2.95	7,016	0.92
Finance	552,689	1.99	166	0.03	530,770	2.06	183	0.03
Mining	383,385	1.38	5,061	1.32	344,654	1.34	5,013	1.45
Others ¹	1,156,896	4.17	18,114	1.57	1,017,443	3.95	17,726	1.74
Personal Loans and advances	9,050,497	32.65	108,007	1.19	8,872,595	34.40	87,181	0.98
Discounted bills	2,092,713	7.55	–	–	1,631,752	6.33	–	–
Overseas operations and subsidiaries	887,787	3.20	15,591	1.76	854,969	3.31	18,823	2.20
Gross loans and advances excluding accrued interest	27,721,856	100.00	363,982	1.31	25,793,717	100.00	344,691	1.34

1. These mainly comprise industries such as information transmission, software and information technology services, scientific research and technological service, agriculture, forestry, animal husbandry, fishing, health and social work, and education.

The Group continued to improve quality and efficiency in serving the real economy, made great efforts to promote the optimisation and adjustment of credit structure, and enhanced risk prevention and control in key areas. The NPL ratios for industries such as manufacturing, transportation, storage and postal services declined.



Restructured Loans and Advances to Customers

The following table sets forth the Group's restructured loans and advances to customers as at the dates indicated.

(In millions of RMB, except percentages)	31 December 2025		31 December 2024	
	Amount	% of gross loans and advances excluding accrued interest	Amount	% of gross loans and advances excluding accrued interest
Restructured loans and advances to customers	126,375	0.46	120,861	0.47

1. The standard of restructured loans and advances to customers was in compliance with the *Rules on Risk Classification of Financial Assets of Commercial Banks*.

At the end of 2025, the balance of restructured loans and advances to customers was RMB126,375 million, an increase of RMB5,514 million over 2024; their proportion in gross loans and advances excluding accrued interest was 0.46%.

Overdue Loans and Advances to Customers

The following table sets forth the Group's overdue loans and advances to customers by overdue period as at the dates indicated.

(In millions of RMB, except percentages)	31 December 2025		31 December 2024	
	Amount	% of gross loans and advances excluding accrued interest	Amount	% of gross loans and advances excluding accrued interest
Overdue within three months	91,072	0.33	74,609	0.29
Overdue between three months and six months	49,786	0.18	49,239	0.19
Overdue between six months and one year	64,680	0.23	85,409	0.33
Overdue between one and three years	119,545	0.43	95,530	0.37
Overdue for over three years	42,731	0.16	26,409	0.10
Total overdue loans and advances to customers	367,814	1.33	331,196	1.28

At the end of 2025, the balance of overdue loans and advances to customers was RMB367,814 million, an increase of RMB36,618 million over 2024; their proportion in gross loans and advances excluding accrued interest was 1.33%.

Migration Rate of Loans

(%)	31 December 2025	31 December 2024	31 December 2023
Migration rate of normal loans	1.17	1.07	1.66
Migration rate of special mention loans	14.98	11.69	12.21
Migration rate of substandard loans	50.73	44.56	44.86
Migration rate of doubtful loans	57.47	34.38	44.84

1. The migration rate of loans was calculated on a consolidated basis according to definition of the indicators by the former CBIRC.



MANAGEMENT DISCUSSION AND ANALYSIS

RISK MANAGEMENT

Large Exposures Management

The Group strictly implemented regulatory requirements to constantly identify, measure, and monitor large exposures. It also improved the information sharing mechanisms within the Group, enhanced the limit control of customer risk exposures, and optimised the supporting system functions, to improve quality and efficiency of large exposures management at the group level.

Concentration of Loans

At the end of 2025, the Group's gross loans to the largest single borrower accounted for 4.14% of total capital, while those to the top ten customers accounted for 13.40% of total capital.

(%)	31 December 2025	31 December 2024	31 December 2023
Proportion of loans to the largest single customer	4.14	4.15	4.42
Proportion of loans to top ten customers	13.40	15.22	14.87

The Group's top ten single borrowers as at the date indicated are as follows.

(In millions of RMB, except percentages)		31 December 2025	
		Amount	% of total loans and advances excluding accrued interest
Customer A	Transportation, storage and postal services	193,005	0.70
Customer B	Production and supply of electric power, heat, gas and water	75,403	0.27
Customer C	Production and supply of electric power, heat, gas and water	71,000	0.26
Customer D	Leasing and commercial services	58,761	0.21
Customer E	Transportation, storage and postal services	49,057	0.18
Customer F	Transportation, storage and postal services	37,263	0.13
Customer G	Transportation, storage and postal services	36,574	0.13
Customer H	Finance	36,400	0.13
Customer I	Transportation, storage and postal services	34,837	0.13
Customer J	Finance	32,739	0.12
Total		625,039	2.26

For details of capital measurement of credit risks, please refer to the *Capital Management Pillar III Annual Report 2025* published on the websites of SSE (www.sse.com.cn), the "HKEXnews" of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk), and the Bank (www.ccb.cn, www.ccb.com).

MARKET RISK MANAGEMENT

The Group continued to reinforce its market risk management. In accordance with regulations including the *Capital Rules for Commercial Banks* and the *Rules on Market Risk Management of Commercial Banks*, the Group revised the basic rules on market risk management, further improved its market risk governance structure and management capability, and enhanced the full-process management of market risk identification, measurement, monitoring, control, and reporting. It formulated the annual risk policy and limit plan for investment and trading business, while monitoring and reporting on limit compliance. It deepened the digital monitoring mechanism for trading business, enhanced risk monitoring tools and systems, and carried out risk screening and early warning in a timely manner. It launched investigation on businesses of key branches and subsidiaries, and reviewed product risks. It cemented the foundation for market risk management of asset management business by improving risk management policies and systems.



Value at Risk Analysis on Trading Book

The Bank performs value at risk ("VaR") analysis on its trading portfolio to measure and monitor the potential losses that could occur on risk positions taken, due to movements in market interest rates, foreign exchange rates and other market prices. The Bank calculates the VaRs of its Renminbi and foreign currency trading portfolios on a daily basis (at a confidence level of 99% and with a holding period of one trading day).

The VaR analysis on the Bank's trading book as at the dates indicated and during respective periods is as follows.

(In millions of RMB)	2025				2024			
	31 December	Average	Maximum	Minimum	31 December	Average	Maximum	Minimum
VaR of trading portfolio	231	288	379	204	300	265	331	199
Of which: Interest rate risk	115	146	246	73	75	37	88	22
Exchange rate risk	195	273	363	176	311	261	343	201
Commodity risk	15	6	40	–	1	1	6	–

Stress Testing of Market Risk

The Bank regularly performs stress testing of market risk under single factor scenario, multifactor scenario and historical scenario. Stress testing of market risk reveals weak links in the investment and trading business under extreme scenarios by quantitatively analysing the impact of changes in interest rates, foreign exchange rates and other market prices on the asset prices and earnings of the Bank, thus enhancing the Bank's ability to respond to extreme risk events. The stress testing results showed that losses from market risk were generally controllable.

Exchange Rate Risk Management

The Group is exposed to exchange rate risk primarily because of currency mismatch of the assets and liabilities it holds in currencies other than Renminbi and the positions it takes as a market maker in financial markets. The Group measures and analyses its exchange rate risk by using a combination of methods such as exchange rate risk exposure and exchange rate risk stress testing, and controls and mitigates the risk by matching its assets with liabilities, setting limits, and hedging.

In 2025, the Group adhered to a prudent and sound exchange rate risk management strategy, paid close attention to monetary policies of major economies and foreign exchange fluctuations, and took proactive measures against market changes. It further strengthened exchange rate risk management for its overseas operations and subsidiaries, continued to enhance management mechanisms and processes, and effectively improved management quality and efficiency. During the reporting period, the Group's exchange rate risk indicators satisfied regulatory requirements. Stress testing results showed that the overall exchange rate risk was under control.

Currency Concentrations

The Group's currency concentrations are set out below as at the dates indicated.

(In millions of RMB)	31 December 2025				31 December 2024			
	USD (RMB equivalent)	HKD (RMB equivalent)	Others (RMB equivalent)	Total	USD (RMB equivalent)	HKD (RMB equivalent)	Others (RMB equivalent)	Total
Spot assets	1,046,547	355,121	501,900	1,903,568	964,301	315,444	411,909	1,691,654
Spot liabilities	(1,047,201)	(607,080)	(325,064)	(1,979,345)	(1,017,588)	(498,078)	(249,136)	(1,764,802)
Forward purchases	3,388,012	544,604	354,980	4,287,596	3,351,341	316,408	243,302	3,911,051
Forward sales	(3,395,800)	(252,624)	(504,594)	(4,153,018)	(3,276,346)	(91,062)	(367,232)	(3,734,640)
Net options position	(4,132)	(6)	(207)	(4,345)	(47,118)	–	(829)	(47,947)
Net(short)/long position	(12,574)	40,015	27,015	54,456	(25,410)	42,712	38,014	55,316

At the end of 2025, the Group's net exposure to exchange rate risk was RMB54,456 million, a decrease of RMB860 million from 2024.

For details of capital measurement of market risk, please refer to the relevant sections of the Bank's *Capital Management Pillar III Annual Report 2025*.



MANAGEMENT DISCUSSION AND ANALYSIS

RISK MANAGEMENT

MANAGEMENT OF INTEREST RATE RISK IN THE BANKING BOOK

Interest rate risk in the banking book refers to the risk of loss in the economic value and overall earnings of a banking book as a result of adverse movements in interest rates, term structure and other interest-related factors, mainly including gap risk, basis risk, and option risk. The Group continues to strengthen the identification, measurement, monitoring, and control of interest rate risk in the banking book. It develops a risk management framework, measurement rules, and monitoring and control policies related to interest rate risk in the banking book, in accordance with relevant provisions such as the *Guidelines for Management of Interest Rate Risk in the Banking Book of Commercial Banks (Revised)*. It also annually reviews its risk appetite and hierarchical limits to ensure alignment between its interest rate risk appetite and the Bank's overall strategy.

The Group implements robust and prudent interest rate risk management strategy, seeks to achieve a balance between interest rate risk and profitability, and minimises the adverse impact of interest rate changes on net interest income and economic value. The Group employs a range of methods to measure and analyse interest rate risk in the banking book, including repricing gap analysis, sensitivity analysis of net interest income and economic

value, duration analysis, stress testing, and economic capital analysis. It actively uses assets and liabilities volume and pricing measures, prudently employs interest rate derivative hedging instruments, and performs interest rate risk management and evaluation by applying plan and performance appraisal and internal capital assessment to effectively control the interest rate risk level of business lines, overseas operations and subsidiaries, so that the interest rate risk in the banking book is kept within a reasonable range.

In 2025, the Group kept tight tabs on domestic and foreign economic and financial landscapes and changes in macroeconomic policies, continued to reinforce interest rate risk management, and actively responded to market pressures and management challenges. It closely tracked changes in interest rates of domestic deposits, loans and bonds, and strengthened monitoring and management of the term structure of assets and liabilities; it solidified the requirements for interest rate risk management of overseas operations, and enhanced the capability of proactive risk management; and it continued to optimise internal and external pricing management strategies, and prudently assessed interest rate risk of new products. During the reporting period, the results of stress testing indicated that the Group's interest rate risk indicators were reasonable, and the level of interest rate risk was under control.

Interest Rate Sensitivity Gap Analysis

The analysis of interest rate sensitivity gaps of the Group's assets and liabilities by the next expected repricing dates or maturity dates (whichever are earlier) is set out below as at the dates indicated.

(In millions of RMB)	Non-interest-bearing	Less than three months	Between three months and one year	Between one year and five years	More than five years	Total
Interest rate sensitivity gap as at 31 December 2025	446,580	(4,344,916)	4,799,380	(2,808,508)	5,593,541	3,686,077
Accumulated interest rate sensitivity gap as at 31 December 2025		(4,344,916)	454,464	(2,354,044)	3,239,497	
Interest rate sensitivity gap as at 31 December 2024	283,083	(3,787,488)	5,734,890	(3,989,529)	5,103,009	3,343,965
Accumulated interest rate sensitivity gap as at 31 December 2024		(3,787,488)	1,947,402	(2,042,127)	3,060,882	

At the end of 2025, the positive repricing gap of the Group's assets and liabilities with maturities of less than one year was RMB454,464 million, a decrease of RMB1.49 trillion from 2024, mainly due to the growth of liabilities such as financial assets sold under repurchase agreements and deposits from banks and non-bank financial institutions. The positive gap of assets and liabilities with maturities of more than one year was RMB2.79 trillion, an increase of RMB1.67 trillion over 2024, mainly due to the growth of long-term bond investments.

Sensitivity Analysis

Net interest income sensitivity analysis refers to the impact of interest rate changes on net interest income generated by financial assets and financial liabilities that are to be repriced within the next year and held at the end of the period. Equity sensitivity analysis refers to the impact on equity of net change in fair value resulting from the revaluation of fixed-rate financial assets held at the end of the year and measured at fair value through other comprehensive income due to changes in interest rates.

The net interest income and equity sensitivity analysis is based on two scenarios. The first assumes that all yield curves rise or fall by 100 basis points in a parallel way, while the interest rates for deposits at the PBOC remain the same; the second assumes that the interest rates for deposits at the PBOC and the demand deposits remain the same, while all the other yield curves rise or fall by 100 basis points in a parallel way.



The changes in net interest income and equity of the Group under the scenario where yield curves rise or fall by 100 basis points in a parallel way are set out below as at the dates indicated.

(In millions of RMB)		Impact on net interest income		Impact on equity	
		31 December 2025	31 December 2024	31 December 2025	31 December 2024
Rise by 100 basis point	Interest rates for deposits at the PBOC being constant	(61,732)	(46,805)	(170,372)	(108,445)
	Interest rates for deposits at the PBOC and demand deposits being constant	91,958	92,363		
Fall by 100 basis points	Interest rates for deposits at the PBOC being constant	61,732	46,805	190,344	119,288
	Interest rates for deposits at the PBOC and demand deposits being constant	(91,958)	(92,363)		

- The changes in net interest income and equity under stress testing scenarios where interest rates change by 100 basis points are set out above as at the dates indicated. The ratios of the changes to the annual net interest income as well as to total capital are within a reasonable range, indicating that the overall risk is under control.

OPERATIONAL RISK MANAGEMENT

The Board of the Bank assumes the ultimate responsibility for operational risk management. Senior management is responsible for the implementation of operational risk management, with key duties including organising the formulation of basic policies and rules on operational risk management. The operational risk organisational structure comprises business and management departments, operational risk management departments, and audit department.

The Group has formulated the rules for operational risk management, and established an operational risk management system tailored to its business nature, size, complexity and risk profile. Such management framework strengthens the coordinated control of “three lines of defence” and uses operational risk appetite and its transmission as guiding principles. Empowered by operational risk management tools and supported by operational risk culture, staffing, incentives and disciplines, and IT systems, the Group continues to promote identification and assessment, control and mitigation, monitoring and reporting, and capital measurement of operational risks in business products and management activities. It also periodically reviews and optimises the operational risk management framework. In addition, it systematically embeds internal control requirements into the development of policies, processes, and systems related to operation management, and implements internal control measures across business operations, products, and management activities to effectively prevent and control operational risks and reduce losses.

In 2025, the Group actively benchmarked itself against the *Rules on Operational Risk Management of Banking and Insurance Institutions*, improving management mechanisms such as the transmission of operational risk appetite, risk reporting and new product risk assessment to cement the foundation for operational risk management. It strictly implemented regulatory requirements, continued to improve the system of operational risk management and measurement, and promoted regulatory assessment and validation pursuant to new standardised approach for operational risk in an orderly manner. The Group carried out a new round of business impact analysis, established a linkage mechanism integrating periodical and regular analyses, iterated its business continuity management strategies, identified important business operations, and prepared for operational risk exposures. Additionally, it conducted drills on important business operations with a focus on its management priorities, to improve emergency awareness and response capabilities among relevant institutions and personnel, thus enhancing the effectiveness of such drills.

The Group continued to strengthen staff behaviour management by effectively preventing abnormal staff behaviours and guiding staff to comply with regulations. It persisted in both developing rules and conducting educational outreach, clarifying codes of conduct and prohibitions for staff to foster a correct understanding and practice of compliance. The Group enhanced care and concern for its staff, keeping abreast of their performance and mindset to help improve their professional capabilities. In 2025, the Bank organised audits on operational risk management and dynamic audits on operational risk items related to staff behaviours with focuses on the Bank’s operational risk management, prevention and control of cases, and staff behaviour management.

Anti-Money Laundering

The Group strengthened its money laundering risk management capabilities by continuing to enhance the “risk-based” AML management system, strengthening the fulfilment of its core obligations, facilitating beneficial ownership information reporting, intensifying monitoring in high-risk areas of money laundering, and actively exploring the application of emerging technologies. It fully implemented regulatory requirements for AML and financial sanctions, and effectively leveraged on its AML efforts to curb money laundering and related crimes, thereby safeguarding financial order, public interests and national security.



MANAGEMENT DISCUSSION AND ANALYSIS

RISK MANAGEMENT

LIQUIDITY RISK MANAGEMENT

The Board reviews and approves liquidity risk strategy and risk appetite, and assumes the ultimate responsibility for liquidity risk management. Senior management carries out liquidity risk strategy set by the Board and organises the implementation of liquidity risk management activities. Asset & Liability Management Department leads the Group's liquidity risk management and performs various duties in liquidity risk management together with business management departments and branches. Each subsidiary assumes the primary responsibility for its own liquidity risk management.

The Group adheres to a liquidity risk management strategy featuring prudence, decentralisation, coordination and diversification. The objective for liquidity risk management is to establish and improve a liquidity risk management system that can fully identify, accurately measure, continuously monitor, and effectively control liquidity risk, effectively balance the return on and security of funds, and safeguard the steady operation across the bank. In light of regulatory requirements, external macro environment, and its business development, the Group formulates approaches for liquidity risk identification, measurement and monitoring, sets out risk limit management criteria, carries out daily liquidity management, periodically conducts stress testing at the group level, and reviews and assesses contingency plans.

Analysis of Liquidity Risk

The Group adopts liquidity indicator analysis, remaining maturity analysis and undiscounted cash flow analysis to measure its liquidity risk.

The following table sets forth the liquidity ratios and loan-to-deposit ratios of the Group as at the dates indicated.

		Regulatory standard	31 December 2025	31 December 2024	31 December 2023
(%)					
Liquidity ratio ¹	Renminbi	≥25	85.15	76.55	69.20
	Foreign currency	≥25	92.67	72.07	77.40
Loan-to-deposit ratio ²	RMB		89.30	89.28	85.12

1. Calculated by dividing current assets by current liabilities in accordance with the requirements of the former CBIRC.

2. Calculated on the basis of domestic legal person in accordance with the requirements of the former CBIRC.

In 2025, the Group adhered to the principle of robustness and prudence, responded to changes in internal and external fund situation in a forward-looking manner, and appropriately managed the total amount and structure of funding sources and utilisation, ensuring safe and sound liquidity across the Group. It gave full play to the buffering role of liquidity reserve, improved its financing strategies to maintain a sound balance between safety, liquidity and profitability. The Group optimised its multi-dimensional liquidity monitoring and early warning systems, driving iterative upgrades of its information systems. It proactively fulfilled its obligations as a major state-owned bank, and played its roles as a market "stabiliser" and a policy "transmitter".

Stress Testing of Liquidity Risk

The Group conducts quarterly liquidity risk stress testing in order to gauge its risk tolerance in different stress scenarios. The key factors and events set by the stress testing as having an impact on liquidity risk include significant decline in the ability to liquidate current assets, significant loss of wholesale and retail deposits, reduction of the availability of wholesale and retail financing, and significant adverse changes in market liquidity conditions. The results of stress testing show that under different stress scenarios, the Group's liquidity risk is under control.



The following table sets forth the liquidity coverage ratio and net stable funding ratio (NSFR) of the Group as at the dates indicated.

	Fourth quarter 2025	Third quarter 2025	Second quarter 2025
Liquidity coverage ratio (%) ¹	135.47	132.40	122.06
	31 December 2025	30 September 2025	30 June 2025
NSFR (%)	132.10	131.56	131.53

1. Calculated in accordance with the applicable regulatory requirements, definitions and accounting standards for the period. Each number represents simple arithmetic means of the values for every calendar day in the quarter.

At the end of 2025, the Group's Renminbi and foreign currency liquidity ratios were 85.15% and 92.67% respectively, and the loan-to-deposit ratio was 89.30%. The average daily liquidity coverage ratio for the fourth quarter of 2025 was 135.47%. The Group's NSFR was 132.10% at the end of 2025. All the liquidity indicators above met the regulatory requirements. For detailed information on liquidity coverage ratio and NSFR, please refer to the *Capital Management Pillar III Annual Report 2025* published on the websites of SSE (www.sse.com.cn), the "HKEXnews" of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk), and the Bank (www.ccb.cn, www.ccb.com).

The analysis of the Group's assets and liabilities by remaining maturity is set out below as at the dates indicated.

(In millions of RMB)	No maturity	Repayable on demand	Within one month	Between one and three months	Between three months and one year	Between one and five years	More than five years	Total
Net gaps as at 31 December 2025	3,000,307	(13,538,670)	(717,374)	(1,275,079)	(780,613)	3,285,393	13,712,113	3,686,077
Net gaps as at 31 December 2024	2,993,681	(12,688,474)	(686,338)	(769,481)	90,854	1,711,813	12,691,910	3,343,965

The Group regularly monitored the maturity gaps between its assets and liabilities for various businesses in order to assess its liquidity risk profile within different maturity ranges. At the end of 2025, the cumulative maturity gap of the Group was RMB3.69 trillion. The Group enjoys low turnover rate of demand deposits and steady growth of deposits, and is expected to maintain a steady source of funding and a sound liquidity position in future, with liquidity risk under control.



MANAGEMENT DISCUSSION AND ANALYSIS

RISK MANAGEMENT

REPUTATIONAL RISK MANAGEMENT

Reputational risk refers to the risk arising from actions of an institution, its personnel, or external events, which lead to negative assessments by stakeholders, the general public, media, etc., towards the Group or its branches and subsidiaries, thereby damaging its brand image and value, adversely affecting its normal operations, and even impacting the Group's overall reputation. It is an integral component of the corporate governance and comprehensive risk management system of commercial banks.

The Group strictly complies with regulatory requirements by incorporating reputational risk management into its comprehensive risk management system, constantly strengthening the role of corporate governance in managing reputational risk. The Board assumes the ultimate responsibility for reputational risk management. It is responsible for determining the reputational risk management strategy and overall objectives, staying informed of the reputational risk profile, and overseeing senior management in carrying out reputational risk management. Senior management assumes the management responsibility for reputational risk. It is responsible for establishing and improving the reputational risk management system, refining working mechanisms, formulating contingency plans and resolution procedures for reputational risks related to significant matters, and arranging and advancing the handling of reputational incidents.

In 2025, adhering to its forward-looking, comprehensive, proactive and effective reputational risk management principle, the Group continued to improve its mechanism development, solidly advanced foundational management tasks, further optimised the group-wide monitoring, early warning and coordinated response mechanisms for negative news coverage, and properly handled sensitive public opinions. During the reporting period, the Group steadily improved its reputational risk management practices and effectively safeguarded its good corporate image and reputation. As a result, no extremely severe reputational risk events occurred.

COUNTRY RISK MANAGEMENT

In strict compliance with regulatory requirements, the Group incorporates country risk management into its comprehensive risk management system, establishing a management framework commensurate with its strategic objectives and size of risk exposures. The Board assumes the ultimate responsibility for monitoring the effectiveness of country risk management, and senior management is responsible for carrying out country risk management policies approved by the Board. The Group manages country risk by applying tools including evaluation and rating, risk limit, data aggregation, stress testing, monitoring and early alert, and emergency responses.

In 2025, the Group continued to optimise its country risk management by taking into account the needs of business development and challenges posed by shifts in the global landscape. It optimised the country risk management system, reviewed country risk ratings, closely monitored country risk exposure, and strengthened country risk early warning and emergency response mechanism. The Group's country risk exposure was mainly concentrated in countries or regions with low or relatively low country risk, and the overall country risk was maintained at a reasonable level.

IT RISK MANAGEMENT

The Group has developed IT risk management rules, and established an IT risk management governance structure that features reasonable and well-defined division of responsibilities, appropriate authorisation, mutual checks and balances, and clear reporting lines, in response to regulatory requirements and in alignment with its IT risk management appetite and strategy. The Board regularly listens to, and reviews reports on IT risk management, reviews IT risk appetite, and supervises and checks IT risk management work performed by senior management. Senior management is responsible for implementing the identification, monitoring, and control of IT risk, as authorised by the Board. To enhance the security and stability of information systems, the Group adopts appropriate management strategies for domains such as information system development, testing, and maintenance, business continuity plan, and emergency responses.

In 2025, the Group continued to strengthen IT risk management to effectively safeguard the high-quality development of FinTech. It optimised and improved its IT system framework, effectively performed IT risk identification, assessment, monitoring, reporting, control and mitigation, and promoted early detection, early warning, early exposure and early resolution of IT risks. The Group constantly improved its cybersecurity risk monitoring system, and effectively countered cyberattacks, seeing no cybersecurity incidents throughout the year. It strengthened the management of IT outsourcing risks, and intensified supervision and inspection of the third-party service providers. No IT risk incidents caused by outsourcing and cooperation occurred during the year. It strengthened IT assurance and evaluation, engaged professional accounting firms to conduct audit and assurance on IT control service provided by the head office to overseas operations, and engaged professional institutions to conduct cybersecurity classified protection evaluation as well as security assessment of cryptography application for systems at or above Grade III of cybersecurity classified protection. During the reporting period, the Group's IT risk indicators met regulatory requirements and risk appetite, with its overall IT risk under control.



STRATEGIC RISK MANAGEMENT

The Group strictly implements regulatory requirements by incorporating strategic risk into its comprehensive risk management system. The Board assumes the ultimate responsibility for strategic risk management, and senior management is responsible for carrying out strategic risk management policies approved by the Board.

In 2025, in light of its own needs of business development and challenges posed by changes in the internal and external operating environment, the Group continued to refine its strategic risk management system, optimised the workflow for strategic risk identification, monitoring, and assessment, and consistently enhanced its rule-based and standardised strategic risk management efforts. During the reporting period, the Group's strategic risk remained under control.

EMERGING RISK MANAGEMENT

The Group continued to strengthen the effective identification and proactive management of emerging risks such as model risk, data risk, fraud risk, ESG risk, and new product risk. It took multiple measures to enhance its coordinated management capabilities for these emerging risks.

In terms of model risk management, the Group constantly refined its model risk management mechanisms, conducting model validation, review, and ex-post evaluation. It focused on reinforcing the management of online business rule-based models by developing relevant standards, and organised special trainings on model risk management for online businesses, to prevent and resolve potential risks arising from model-related issues. The Group pressed ahead with the construction of the enterprise-level model monitoring platform and enhanced the functions of the enterprise-level model risk management platform.

In terms of data risk management, the Group persistently improved its data risk management and control mechanisms, intensified data security controls in key areas, enhanced data security inspections and risk assessments, and elevated the automation level of assessments for critical scenarios such as outbound data transmission and launch of new products. It continued to promote the implementation of data classification and grading protection measures throughout the data lifecycle. The Group reinforced integrated group-wide data

quality management by establishing mechanisms for coordinating data requirements and monitoring operations, optimising data quality management tools, and routinely conducting data quality control and improvement activities.

In terms of fraud risk management, the Group proactively monitored external developments, strictly implemented regulatory requirements, and refined its fraud risk management system. It deepened coordination and interaction, advanced the iterative upgrading of anti-fraud tools and the innovative application of AI, and expanded functions of its fraud risk management platform, so as to enhance its capability to prevent and resolve various fraud risks.

In terms of ESG risk management, the Group continued to improve its ESG risk management framework for investment and financing businesses and strengthened ESG risk management for customers in compliance with regulatory requirements. It specified the ESG risk classification standards, classification process and differentiated management strategies for customers of investment and financing businesses, integrating ESG risk management into the whole process of investment and credit businesses. The Group promoted an ESG risk classification management system for customers of investment and financing businesses across the Bank, achieving online, end-to-end risk control.

In terms of new product risk management, the Group continued to strengthen its foundational product management by systematically reviewing existing products on sale, re-examining operational and risk control issues during their innovation and life cycle, and promptly taking risk control measures. It enhanced the product risk management system to achieve online processing across the entire lifecycle, including product eligibility evaluation, dynamic risk monitoring, and periodic re-assessment. Aligning with the *Measures for Compliance Management of Financial Institutions*, the Group optimised its compliance review mechanisms and processes to rigorously evaluate new products and business initiatives. It continued to strengthen money laundering risk assessment and control for new products by dynamically optimising assessment methodologies and indicator systems, constantly intensifying daily monitoring and analysis, and proactively took risk control measures commensurate with the risk profile, thereby contributing to comprehensive risk prevention and control.



MANAGEMENT DISCUSSION AND ANALYSIS

RISK MANAGEMENT

CONSOLIDATED MANAGEMENT

In 2025, the Group continued to enhance consolidated management, reinforced various aspects of the Group's consolidated management, including corporate governance, risk management and capital management, and prevented cross-border and cross-industry business risks, and promoted the high-quality development of subsidiaries.

The Group promoted the integrated management at the group level, and deepened business integration of the parent bank and subsidiaries. It continuously enhanced the corporate governance efficiency of subsidiaries, and promoted the establishment of a streamlined and effective corporate governance framework. It intensified comprehensive risk management of subsidiaries, and improved the transmission and implementation mechanism of its unified risk appetite. It also cemented the foundation of capital management, and enhanced monitoring and management of capital adequacy of subsidiaries, to push the subsidiaries to constantly meet industry regulatory requirements on capital indicators and maintain a reasonable buffer. The Group constantly enhanced its concentration risk management and strengthened internal transaction controls. It proactively implemented regulatory requirements on consolidated management and internal risk segregation requirements within the Group. It enhanced its data governance and application capabilities, guiding subsidiaries to constantly improve their data governance frameworks and boost their data capabilities and automation levels. It continued to promote IT integration at the group level, and strengthened support for sci-tech development at subsidiaries.

INTERNAL AUDIT

The Group's internal audit is committed to evaluating and supervising the improvement of risk management, control and governance processes, promoting value creation, improving business operations, and assisting the Group in achieving its objectives. The internal auditors work in a relatively independent manner and are managed vertically. The department is accountable to and reports to the Board and its audit committee, and also reports to senior management. In addition to the audit department at the head office, the Bank has 29 audit offices at tier-one branches and an overseas audit centre in Hong Kong.

The audit department focuses on its core supervisory responsibilities, consistently serves the broader organisational interests, and continues to strengthen the comprehensiveness, sensitivity, and foresightedness of its audit work. It conducts audit activities centred on the implementation of external regulatory requirements, the Group's strategic plans, comprehensive risk management, and business rules and regulations, with a heightened emphasis on being risk-oriented, regulatory compliance-oriented, and operation-and-management-oriented. In 2025, the audit procedures covered businesses such as loans to large and medium-sized enterprises, special assets resolution, inclusive finance, personal loans, financial and accounting management, liabilities, payment and settlement, key compliance matters, financial institutional business, financial market trading business and market risk management, e-finance, channel and operation management, group consolidated management, FinTech, and related party transactions, and covered subsidiaries and overseas operations on a cyclical basis. By accurately identifying business issues, analysing management issues, and ensuring the thorough remediation of such issues, the audit department continued to improve its management mechanisms, business processes, and internal management, effectively facilitating the Group's intensive high-quality development.



CAPITAL MANAGEMENT

The Group adheres to a robust and prudent capital management strategy and attaches importance to both internal capital accumulation and external capital replenishment. It deeply promotes intensive capital transformation by continuing to strengthen capital constraint and incentives to enhance the efficiency of capital use, retains adequate capital and sound structure, and provides a solid foundation for serving the high-quality development of the real economy and implementing the strategies of the Bank.

In 2025, the Group continued to promote the implementation of the new capital rules, and improved the regulatory capital constraint and transmission mechanism to conduct external capital replenishment in a prudent and orderly manner. It recorded retained earnings of RMB232.2 billion after deducting dividends, issued A-shares to specific target with the total amount of RMB105.0 billion to replenish Common Equity Tier 1 capital, and issued the undated capital bonds of RMB40.0 billion and Tier 2 capital bonds of RMB125.0 billion. The Group effectively advanced refined capital management, and achieved reasonable growth in risk-weighted assets. The Group maintained all capital adequacy ratios above regulatory requirements with ample buffers retained, and smoothly achieved compliance with TLAC standards.

CAPITAL ADEQUACY RATIOS

According to regulatory requirements, the Group has calculated and disclosed capital adequacy ratios in accordance with the *Rules on Capital Management of Commercial Banks* since 2024. The scope of calculation includes all domestic and overseas branches and sub-branches, and financial subsidiaries (excluding insurance companies). Based on the approval to implement the advanced capital measurement approach in 2014, the former CBIRC granted approval for the Group to expand the implementation scope of the approach in April 2020. The Group calculates capital adequacy ratios using both advanced approach and other approaches for capital measurement in accordance with regulatory requirements and is in compliance with relevant requirements for capital floors.

The Group continued to deepen the transformation towards more intensive use of capital and refined management, and advanced the high-quality implementation of the new capital rules. At the end of 2025, the Group's total capital ratio, Tier 1 ratio and Common Equity Tier 1 ratio, which were calculated in accordance with the *Rules on Capital Management of Commercial Banks*, were 19.69%, 15.47% and 14.63%, respectively, all in compliance with regulatory requirements.

The following table sets forth the Group's capital adequacy information as at the dates indicated.

(In millions of RMB, except percentages)	31 December 2025	31 December 2024
Common Equity Tier 1 capital	3,464,852	3,165,549
Tier 1 capital	3,663,783	3,324,424
Total capital	4,663,426	4,303,263
Risk-weighted assets	23,685,171	21,854,590
Common Equity Tier 1 ratio (%)	14.63	14.48
Tier 1 ratio (%)	15.47	15.21
Total capital ratio (%)	19.69	19.69

1. Please refer to Note "Risk management – Capital management" to the financial statements for details of composition of capital.
2. For detailed information on capital adequacy ratios and risk-weighted assets, please refer to the *Capital Management Pillar III Annual Report 2025* published by the Bank.

For further details on undated capital bonds and Tier 2 capital bonds issued by the Group, please refer to Notes "Other equity instruments" and "Debt securities issued" to the financial statements, respectively.



MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL MANAGEMENT

LEVERAGE RATIO

According to regulatory requirements, the Group has calculated the leverage ratio in accordance with relevant rules in the *Rules on Capital Management of Commercial Banks* since 2024. The leverage ratio refers to the ratio of Tier 1 capital to on- and off-balance sheet assets after adjustments. As at 31 December 2025, the Group's leverage ratio was 7.62%, meeting regulatory requirements.

The following table sets forth the Group's leverage ratio as at the dates indicated.

(In millions of RMB, except percentages)	31 December 2025	31 December 2024
Leverage ratio (%)	7.62	7.78
Tier 1 capital	3,663,783	3,324,424
On- and off-balance sheet assets after adjustments	48,093,733	42,755,544

- For detailed information on leverage ratio, please refer to the *Capital Management Pillar III Annual Report 2025* published by the Bank.



DISCUSSIONS ON KEY TOPICS IN BUSINESS DEVELOPMENT

SPECIAL CONSUMER FINANCE ACTION SUPPORTING CONSUMPTION UPGRADING AND QUALITY ENHANCEMENT

The Bank launched a special consumer finance action with the theme “Boosting Consumption and Expanding Domestic Demand – Consumer Finance in Action”. It strengthened enterprise-wide coordination, made every effort to expand consumer finance supply, and stimulated consumption potential through comprehensive product and service solutions. The Bank actively participated in the distribution of government consumption coupons, strongly supported key areas such as “Trade-ins” for automobiles, home appliances, and home furnishings, and efficiently implemented interest subsidy policies for personal consumer loans. It constantly optimised merchant services, and pressed ahead with the construction of consumption scenario ecosystems to facilitate consumption transactions for residents. At the end of 2025, the Bank's domestic personal consumer loans amounted to RMB683,174 million, with a growth rate of 29.41%, and the transaction volume of credit cards totalled RMB2.56 trillion in 2025, consistently infusing financial momentum to invigorate consumption.

IMPLEMENTATION OF INTEREST SUBSIDY POLICIES FOR LOANS GRANTED TO BUSINESS ENTITIES IN THE SERVICE INDUSTRY

The Bank actively implemented national policies to boost consumption and expand domestic demand, carrying out interest subsidy policies for loans granted to business entities in the service industry. Focusing on market entities represented by the service sector, it continuously increased credit support through inclusive finance, effectively playing its role as a large state-owned bank in promoting consumption and expanding domestic demand through financial services. The Bank intensified publicity efforts by issuing relevant announcements, Q&As, and a series of promotional articles through channels such as its WeChat official account. It also launched a dedicated interest subsidy service section on the “CCB Huidongni” platform, providing positive service experience for eligible business entities and ensuring broad awareness of the relevant policies among business entities in the consumption sector. It optimised operation processes by promptly initiating adaptations to comply with policies, deploying functions such as online signing of supplementary agreements and online collection of supporting documents of fund usage to ensure convenient access to interest subsidy services for customers. It also reinforced compliance management. In accordance with policy requirements, for borrowers of loans entitled to such subsidies, the Bank collected supporting documents of fund usage through a combination of online and offline channels, so as to ensure that policy benefits were effectively and truly delivered to eligible market entities.

EMPOWERING SMALL AND MEDIUM-SIZED INSTITUTIONAL INVESTORS WITH OTC BOND BUSINESS

The Bank focused on the bond trading and investment needs of small and medium-sized institutional investors, actively promoting the development of the over-the-counter (OTC) business in the interbank bond market. Through product innovation, service optimisation and system upgrades, it created convenient and efficient bond investment channels for its customers.

In terms of product innovation, the Bank continuously offered various bonds from the interbank market on its OTC platform, supplemented by products such as pledged repos and relending pledges, so as to fully meet customers' needs for diversified and flexible investment and financing. In terms of service optimisation, it has established an OTC trading and product service team consisting of experts from head office and branches, providing customers with integrated, low-cost trading services and quotes through online and offline channels and assisting them in making sound investment and trading decisions. In terms of system upgrades, benchmarking against mainstream trading platforms in the interbank bond market, the Bank has built a market-leading OTC bond trading system that supports customers in conducting transactions and management operations efficiently, securely, and professionally. Through its comprehensive and sustained efforts to help small and medium-sized institutional investors share in the benefits of bond market development, the Bank saw rapid growth in OTC bond business. At the end of 2025, bonds held by corporate customers increased by 2.5 times over 2024.



MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECTS

Looking ahead to 2026, global economic growth momentum is expected to remain weak with more unstable factors such as geopolitical conflicts and trade frictions. Uncertainties persist regarding economic growth and inflation trends with divergent monetary policies among major economies. China's economy, underpinned by robust economic foundations, strengths in numerous areas, strong resilience and great potential, is expected to maintain stable growth as the supporting conditions and fundamental trends sustaining long-term development have not altered. Meanwhile, there are still many old problems and new challenges facing China's economic development and transformation, with prominent contradictions between strong supply and weak demand, as well as weaker market expectations. In 2026, China will continue to implement a more proactive fiscal policy and a moderately accommodative monetary policy, enhancing counter-cyclical and cross-cyclical adjustments. It is anticipated that the synergistic effects of existing and incremental policies will become more pronounced, the "main engine" of consumption will be gradually activated, effective investment will be expanded, and the pace of industrial transformation and upgrading will accelerate, leading to a more balanced and sustainable development of China's economy on the whole.

The banking industry in China is facing both opportunities and challenges. China will continuously expand domestic demand and foster new drivers of growth. It will further implement the special action to boost consumption, polish up policies for large-scale equipment renewal and trade-ins of consumer goods, and press ahead with the implementation of major national strategies and enhancement of security capacity in key areas, so as to stem the downturn and restore the stability in investment. China is

expected to beef up its efforts in deepening and expanding "AI+", and implementing a new round of actions for the high-quality development of key industrial chains. It will press ahead with the integrated development of trade and investment and the integration of domestic and foreign trade, actively develop digital trade and green trade, and further advance transformation of energy conservation and carbon reduction in key industries. It will also promote the integration of urban and rural areas and synergy of different regions, and make coordinated efforts to promote urbanisation and all-around rural revitalisation with counties as an important vehicle. All the above will provide a sound external operating environment for steady development of the banking industry, and create business opportunities for further expanding customer bases and providing high-quality financial services. Meanwhile, the deepening impact of changes in international landscape and persistent domestic issues such as insufficient effective demand will keep the operating environment for the banking industry complex and challenging. The Group will accurately assess the situation and take proactive measures to effectively respond to the changes.

In 2026, the Group will adhere to the general principle of seeking progress while maintaining stability, further enhance its "Three Capabilities" of serving national construction, preventing financial risks and participating in international competition, seize the opportunities presented by the commencement of the 15th Five-Year Plan, intensify its support for key areas of the real economy, continuously advance the integrated and comprehensive business transformation, constantly improve the precision, accessibility, and suitability of financial services, and promote its own high-quality development by serving the high-quality development of the





economy and society. The Group will focus on the following tasks in operations and management: **Firstly, the Group will serve the national strategies and comprehensively support the high-quality development of the real economy.** The Group will intensify its efforts to support the expansion of domestic demand by deepening the special consumer finance action, optimising retail credit supply, strengthening the construction of consumption scenarios, and improving wealth management services. It will actively seize opportunities arising from expanding effective investment by enhancing supporting services for new infrastructure projects and fully backing the “Two Key Tasks” and the “Two Renewals”. The Group will facilitate and advance the development of a unified national market, and serve high-level opening-up by increasing support for key projects under the Belt and Road Initiative and providing high-quality services for the development of free trade zones and ports. It will foster financial service capabilities at the county level and promote business development to local conditions. **Secondly, the Group will deepen the implementation of the “Five Priorities” in finance and expedite the refinement of sustainable business models.** In terms of technology finance, the Group will strengthen the synergy between commercial and investment banking to build a comprehensive service system, providing high-quality services for the construction of international sci-tech innovation centres in Beijing (the Beijing-Tianjin-Hebei region), Shanghai (the Yangtze River Delta), and the Guangdong-Hong Kong-Macau Greater Bay Area. In terms of green finance, it will solidify its role in sustainable development, and optimise the ESG coordination mechanism. In terms of inclusive finance, it will promote balanced development in terms of quantity, quality and effectiveness, while continuously

improving the efficiency of comprehensive services for inclusive finance customers. In terms of pension finance, it will cement the foundation for its three-pillar business and establish a comprehensive service model for pension finance ecosystem. In terms of digital finance, it will deepen the integration of digital and real economies and explore the establishment of a group-wide evaluation system for digital transformation effectiveness. **Thirdly, the Group will consolidate foundational support in information technology and operation management, and deepen the upgrading of service models.** It will speed up its digital and intelligent transformation, and establish a digital and intelligent retail business centre so as to identify business opportunities and provide tailored wealth management services intelligently. It will continue to enhance enterprise-level operation capabilities, press ahead with centralised operation, and optimise customer service experience on online platforms. It will improve its technological support for the integrated service model featuring “ecosystems + industrial and supply chains + industrial and business clusters”, helping to maximise comprehensive service effectiveness for customers and overall value for the Group. **Fourthly, the Group will safeguard the bottom line of risks to effectively prevent and mitigate financial risks.** The Group will safeguard the lifeline of asset quality and strengthen risk management and control in key areas. It will sharpen its market insight and foresight to effectively prevent and control market risks related to interest rates, foreign exchange rates, precious metals, and commodities. It will also intensify look-through management of subsidiaries and overseas operations, firmly upholding the bottom line of regulatory compliance.



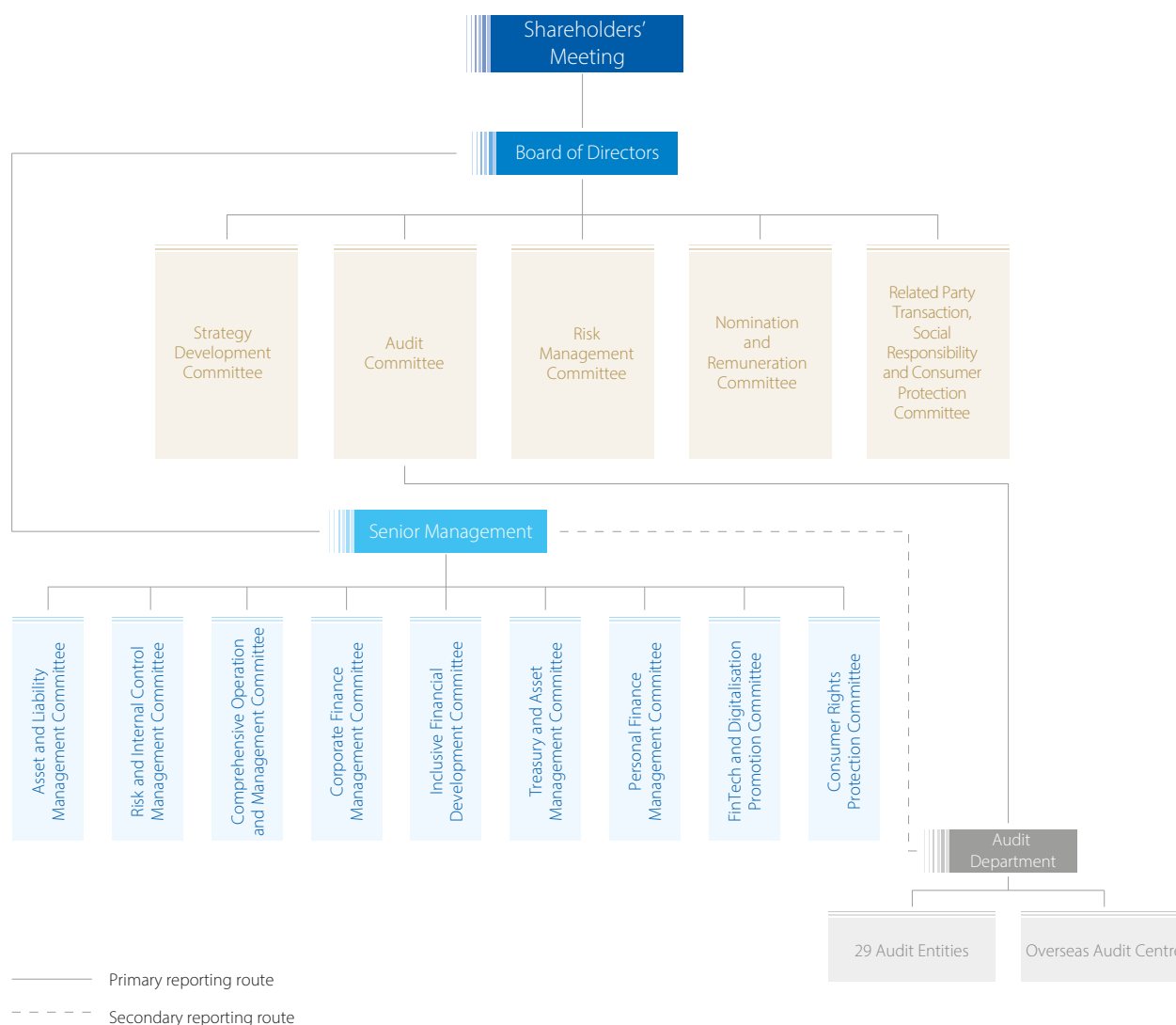


CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

CORPORATE GOVERNANCE

During the reporting period, the Bank strictly implemented the PRC Company Law, Law on Commercial Banks and other laws and regulations, as well as the listing rules of the stock exchange of listing places. It has fully complied with the code provisions as set out in Part 2 of the *Corporate Governance Code* of Appendix C1 to the Listing Rules of Hong Kong Stock Exchange, and substantially complied with most of the recommended best practices therein. The Board and its special committees actively performed their corporate governance functions, continuously evaluated and improved the Bank's corporate governance profile, and conducted their work strictly in compliance with all requirements of corporate governance.

CORPORATE GOVERNANCE STRUCTURE



In improving corporate governance, the Bank strengthened Party leadership, integrated Party leadership into all aspects of corporate governance, and established a corporate governance mechanism that is legally defined, transparent in authority and responsibility, coordinated in operation, and effectively balanced. In accordance with the laws and regulations and the latest regulatory requirements, the Bank completed the re-examination and amendments to the Articles of Association and supporting governance documents in a steady and orderly manner, implemented the requirements of the reform of the board of supervisors to discontinue its establishment and transfer its responsibilities to the audit committee under the Board, and continuously explored the establishment of a coordinated and efficient supervisory mechanism. It optimised authorisation system and plan, strengthened capital management of the Group, consolidated management, and look-through management, to achieve full coverage of important authorised matters at all levels and both domestically and overseas. It clarified duties and powers of the governing bodies such as the Board, optimised the procedures and decision-making process, and improved communication coordination and information sharing mechanisms, to enhance quality and efficiency of corporate governance operations.



SHAREHOLDERS' MEETING

On 27 November 2025, the Bank held the second extraordinary shareholders' meeting of 2025. The executive directors, namely Mr. Zhang Jinliang and Mr. Zhang Yi, the non-executive directors, namely Ms. Xin Xiaodai, Ms. Liu Fang, Ms. Li Lu, Ms. Li Li and Mr. Dou Hongquan, and the independent non-executive directors, namely Mr. William Coen, Mr. Leung Kam Chung, Antony, Lord Sassoon, Mr. Lin Zhijun and Mr. Zhang Weiguo attended the meeting. The directors' attendance rate was 92%.

On 27 June 2025, the Bank held the 2024 annual general meeting. The executive directors, namely Mr. Zhang Jinliang, Mr. Zhang Yi and Mr. Ji Zhihong, the non-executive directors, namely Mr. Tian Bo, Mr. Xia Yang, Ms. Liu Fang and Ms. Li Lu, and the independent non-executive directors, namely Mr. Graeme Wheeler, Mr. Michel Madelain, Mr. William Coen, Mr. Leung Kam Chung, Antony, Lord Sassoon, Mr. Lin Zhijun and Mr. Zhang Weiguo attended the meeting. The directors' attendance rate was 100%.

On 22 April 2025, the Bank held the first extraordinary general meeting of 2025, the first A shareholders class meeting of 2025, and the first H shareholders class meeting of 2025. The executive directors, namely Mr. Zhang Yi and Mr. Ji Zhihong, the non-executive directors, namely Mr. Tian Bo, Mr. Xia Yang, Ms. Liu Fang and Ms. Li Lu, and the independent non-executive directors, namely Mr. Graeme Wheeler, Mr. Michel Madelain, Mr. William Coen, Mr. Leung Kam Chung, Antony, Lord Sassoon and Mr. Lin Zhijun attended the meetings. The directors' attendance rate was 92%.

BOARD OF DIRECTORS

Responsibilities of the Board

The Board is the executive body of and is responsible to the shareholders' meeting. It mainly performs the following functions and powers:

- convening the shareholders' meeting and reporting to the shareholders' meeting;
- implementing the resolutions of the shareholders' meeting;
- determining the Bank's development strategies, and supervising the implementation of the development strategies;
- deciding on the Bank's business plans and investment plans;

- preparing the Bank's annual financial budget, final accounts, profit distribution plan and plan for making up for losses;
- preparing plans for the increase or decrease of the Bank's registered capital, capital replenishment plan, and plans for the issuance and listing of bonds or other marketable securities; and plans for merger, division, dissolution, liquidation and change of corporate form of the Bank;
- preparing plans for the Bank's major acquisition and repurchase of shares;
- other functions and powers stipulated by the Articles of Association of the Bank and authorised by the shareholders' meeting.

The Board's Implementation of Resolutions of the Shareholders' Meetings

In 2025, the Board of the Bank strictly implemented the resolutions considered and approved by the shareholders' meetings, including the annual issuance plan for the Group's financial bonds, the 2025 fixed assets investment budget, the authorisation quota for external charitable donations in 2025, the profit distribution plan for 2024, and the interim profit distribution plan for 2025.

Composition of the Board

At the end of 2025, the Board of the Bank consisted of 13 directors, including three executive directors, namely Mr. Zhang Jinliang, Mr. Zhang Yi and Mr. Ji Zhihong; five non-executive directors, namely Ms. Xin Xiaodai, Ms. Liu Fang, Ms. Li Lu, Ms. Li Li and Mr. Dou Hongquan; and five independent non-executive directors, namely Mr. William Coen, Mr. Leung Kam Chung, Antony, Lord Sassoon, Mr. Lin Zhijun and Mr. Zhang Weiguo.

The term of office of directors of the Bank is three years, and directors may be re-elected upon expiration of their terms of office.

The Bank formulated the diversity policy for the Board in August 2013. The Board nominates directors with due regard to their professional capabilities and ethical standards, while also taking into full consideration the complementarity of gender, age, location, cultural and educational backgrounds as well as knowledge and professional experience from different sectors. The final decision should be based on the candidates' overall competence and possible contributions to the Board. The nomination and remuneration committee is responsible for supervising the implementation of the Board's diversity policy.



The Bank seeks to enhance the Board's professional capabilities and structural reasonableness, continues to achieve optimum combination of Board members that matches the development strategies of the Bank, to vigorously support the efficient operation and scientific decision-making of the Board. The executive directors of the Bank have rich experience in strategy research and analysis, macro-economic studies as well as bank operation and management with macro views; the non-executive directors have rich experience in macro-economic studies, state-owned financial capital management, risk management, finance, accounting and other special fields from holding important positions with government departments, financial regulatory authorities or commercial banks; the independent non-executive directors come from nations and regions including the Chinese Mainland, Hong Kong SAR, Macau SAR, the US, and the UK, and are familiar with international accounting standards, capital supervision and financial market rules. The audit committee, the risk management committee, the nomination and remuneration committee and the related party transaction, social responsibility and consumer protection committee of the Board of the Bank are all chaired by independent non-executive directors. During the reporting period, the composition of the Board was in line with the requirements for gender diversity of board members both under the Listing Rules of Hong Kong Stock Exchange and the Board's diversity policy.

Chairman and President

Mr. Zhang Jinliang, chairman of the Board of the Bank, is the legal representative of the Bank, and is responsible for business strategies and overall development of the Bank.

Mr. Zhang Yi, president of the Bank, is responsible for the daily management of business operations. The president is appointed by and accountable to the Board and performs his duties in accordance with provisions of the Articles of Association of the Bank and authorisation of the Board.

Operation of the Board

The Board of the Bank convenes meetings on a regular basis, generally no less than six times a year; extraordinary meetings are convened if and when necessary. Board meetings may be convened by means of on-site conferences or written resolutions. The agenda for regular meetings is scheduled upon consultation with each director. Board meeting papers and relevant materials are usually circulated to all directors 14 days in advance of Board meetings.

According to the Articles of Association of the Bank, the Board formulates policies on risk management and internal control. The Board reviews the internal control evaluation report and the statements of risk appetite annually, and reviews the comprehensive risk management report of the Group semi-annually, so as to evaluate the overall risk profile and the effectiveness of internal control system. After assessment, the Board believes that the Group's risk profile remains stable on the whole, the management and control of asset quality is within expectation, the core risk indicators remain stable, and the risk management system is effective.

All directors keep contact with the secretary to the Board and the company secretary, to ensure compliance with Board procedures and all applicable rules and regulations. Detailed minutes of Board meetings are kept by the secretary to the Board and are available for review by directors at any time.

Communication and reporting mechanism has been established between the Board of the Bank, directors and senior management. Senior management reports its work to the Board on a regular basis, and is supervised by the Board. Relevant senior executives are invited to attend Board meetings from time to time to provide explanations or reply to enquiries.



At Board meetings, directors can express their opinions freely, and major decisions are made only after thorough discussions. Directors may also engage independent professional institutions at the Bank's expense after due procedures, if they deem it necessary to get independent professional opinions. If any director has interests in a proposal to be considered by the Board, he or she should abstain from discussion and voting on the relevant proposal, and will not be counted in the quorum of the relevant proposal. Independent non-executive directors shall express objective, fair and independent opinions to issues under discussion of the Bank. The independent non-executive directors of the Bank hold no position other than directors at the Bank, have no relationships with the Bank or the Bank's substantial shareholder that might affect their independent and objective judgment, and have no business and financial interests in the Bank or the Bank's subsidiaries. The Board reviews the implementation and effectiveness of the above mechanism every year.

Board Meetings

In 2025, the Board of the Bank convened 12 meetings. At these meetings, the Board reviewed the proposals including annual issuance plan for the Group's financial bonds, the issuance of A-shares to specific target, risk appetite statement, annual business plan and fixed assets investment budget, the nomination of directors, the appointment of senior management members, periodic reports, profit distribution plans, remuneration distribution and settlement plan for directors and senior management members, the capital management Pillar III reports, the authorisation quota for external charitable donations, the issuance of capital instruments and TLAC non-capital debt instruments, and the amendments to the supporting corporate governance documents such as the Articles of Association, the Procedural Rules for the Shareholders' Meeting, and the Procedural Rules for the Board.

The Board members' attendances of Board meetings in 2025 are set out as follows.

	Number of meetings attended in person/ Number of meetings during term of office	Number of meetings attended by proxy/ Number of meetings during term of office
Board members		
Executive directors		
Mr. Zhang Jinliang	12/12	0/12
Mr. Zhang Yi	10/12	2/12
Mr. Ji Zhihong	12/12	0/12
Non-executive directors		
Ms. Xin Xiaodai	5/5	0/5
Ms. Liu Fang	12/12	0/12
Ms. Li Lu	12/12	0/12
Ms. Li Li	5/5	0/5
Mr. Dou Hongquan	5/5	0/5
Independent non-executive directors		
Mr. William Coen	12/12	0/12
Mr. Leung Kam Chung, Antony	12/12	0/12
Lord Sassoon	10/12	2/12
Mr. Lin Zhijun	12/12	0/12
Mr. Zhang Weiguo	7/7	0/7
Resigned directors		
Mr. Tian Bo	6/6	0/6
Mr. Xia Yang	6/6	0/6
Mr. Graeme Wheeler	6/6	0/6
Mr. Michel Madelain	6/6	0/6



Duty Performance of Directors

In 2025, all directors duly performed their duties pursuant to requirements of domestic and overseas laws and regulations, regulatory rules and the Articles of Association, made decisions in a scientific and prudent manner based on respective professional advantages and rich experience in various fields, and promoted the effective implementation of resolutions of the shareholders' meeting and the Board. During the year, the Board held 12 meetings, having considered 116 proposals and reviewed one proposal and had 41 reports for reference.

All directors, focusing on national strategies and the needs of the real economy, comprehensively and objectively analysed and assessed opportunities and challenges brought by domestic and international macro situation to the operation and development of the banking industry through meetings of the Board and special committees, thematic symposiums, communication meetings and field research. They strengthened strategic research and forward-looking planning, gave full play to their leading role in strategic decision-making, guided management to continuously enhance its efforts on developing the "Five Priorities" in finance, to explore the service model of "ecosystems + industrial and supply chains + industrial and business clusters" in light of actual conditions, and to channel financial resources to key areas and weak links in a targeted manner, thereby comprehensively enhancing the comprehensiveness, systematicity and leading role of financial services to the real economy.

Please refer to "Corporate Governance, Environment and Society – Corporate Governance – Shareholders' Meeting" for details of the attendances of directors at the shareholders' meetings. Please refer to "Corporate Governance, Environment and Society – Corporate Governance – Board of Directors" for details of the attendances of directors at the meetings of the Board. Please refer to "Corporate Governance, Environment and Society – Corporate Governance – Committees under the Board" for details of the attendances of directors at meetings of the Board special committees.

Please refer to the *Work Report of Independent Non-Executive Directors for the Year 2025* for details of duty performance of independent non-executive directors of the Bank during the reporting period, which would be separately disclosed by the Bank.

Independence of Independent Non-Executive Directors

The Bank has received the annual confirmation on independence from each independent non-executive director in compliance with Rule 3.13 of the Listing Rules of Hong Kong Stock Exchange. The Bank considered that all the independent non-executive directors of the Bank were independent, and their independence complies with the independence guidelines set out in Rule 3.13 of the Listing Rules of Hong Kong Stock Exchange.

The Board of the Bank has received self-inspection documents signed by all of its independent non-executive directors on their

independence in accordance with the *Management Measures for Independent Directors of Listed Companies* and *No. 1 Self-Disciplinary Regulatory Guidance of Shanghai Stock Exchange – Standardised Operation*. Upon evaluation, the independent non-executive directors of the Bank held no position other than directors at the Bank, have no direct or indirect significant interest with the Bank, Bank's substantial shareholder or actual controller, have no other relationships that might affect their independent and objective judgment, and have none of the eight prohibited circumstances for acting as independent non-executive directors under the *Management Measures for Independent Directors of Listed Companies* and *No. 1 Self-Disciplinary Regulatory Guidance of Shanghai Stock Exchange – Standardised Operation*, which were in compliance with the relevant requirements on the independence of independent non-executive directors.

Accountability of Directors in Relation to Financial Statements

The directors are responsible for overseeing the preparation of financial statements for each accounting period to give a true and fair view of the Group's financial position, operating results and cash flows.

During the reporting period, the Bank published annual report 2024, first quarter report of 2025, half-year report 2025, and third quarter report of 2025 in accordance with relevant laws, regulations and listing rules of the listing places.

Training of Directors

All directors of the Bank took part in trainings on anti-corruption, AML, interpretation of laws, regulations and regulatory policies governing listed companies, information disclosure, investor relations management, internal control, ESG and sustainable development, artificial intelligence and other relevant topics. In addition, Mr. Ji Zhihong attended the in-service training on secretaries to the board of directors of companies listed on SSE; Ms. Xin Xiaodai and Ms. Li Li attended the induction training for directors of companies listed on SSE; Ms. Xin Xiaodai, Ms. Li Li and Mr. Dou Hongquan attended the trainings on corporate governance and investor relations and the key compliance requirements for directors in performing their duties; Mr. Dou Hongquan attended the training on corporate governance – digital and intelligent governance; Lord Sassoon attended trainings on accounting relevant topics; Mr. Lin Zhijun attended the training on insider trading.

Compliance with Model Code for Securities Transactions by Directors

In relation to securities transactions by directors, the Bank has adopted the *Model Code for Securities Transactions by Directors of Listed Issuers* as set out in Appendix C3 to the Listing Rules of Hong Kong Stock Exchange. All directors complied with the provisions of the above code during 2025.

Independent Operating Capability

The Bank is independent from Huijin, its controlling shareholder, with respect to business, personnel, assets, institutional and financial matters. The Bank has independent and complete operating assets as well as independent operating capability, and is able to survive in the market on its own.



COMMITTEES UNDER THE BOARD

There are five committees under the Board: strategy development committee, audit committee, risk management committee, nomination and remuneration committee, and related party transaction, social responsibility and consumer protection committee. More than half of the members of audit committee, risk management committee, nomination and remuneration committee, and related party transaction, social responsibility and consumer protection committee are independent non-executive directors.

As of the disclosure date of this report, details of the positions of the Bank's directors in the committees under the Board are as follows.

Directors	Strategy development committee	Audit committee	Risk management committee	Nomination and remuneration committee	Related party transaction, social responsibility and consumer protection committee
Executive directors					
Mr. Zhang Jinliang	Chairman				
Mr. Zhang Yi	Member		Member		
Mr. Ji Zhihong	Member				Member
Non-executive directors					
Ms. Xin Xiaodai	Member		Member		Member
Ms. Liu Fang	Member	Vice chairperson			
Ms. Li Lu	Member			Member	
Ms. Li Li	Member			Member	
Mr. Dou Hongquan	Member	Member	Member		
Mr. Shi Jian	Member				
Independent non-executive directors					
Mr. William Coen		Member	Member		Chairman
Mr. Leung Kam Chung, Antony	Member		Chairman	Chairman	
Lord Sassoon	Member	Member		Member	
Mr. Lin Zhijun		Member	Member		Member
Mr. Zhang Weiguo		Chairman	Member	Member	Member

1. From August 2025, Ms. Xin Xiaodai served as non-executive director of the Bank, and member of the strategy development committee, the risk management committee and the related party transaction, social responsibility and consumer protection committee of the Board.
2. From June 2025, Ms. Liu Fang served as vice chairperson of the audit committee of the Board.
3. From July 2025, Ms. Li Li served as non-executive director of the Bank, and member of the strategy development committee and the nomination and remuneration committee of the Board.
4. From August 2025, Mr. Dou Hongquan served as non-executive director of the Bank, and member of the strategy development committee, the audit committee and the risk management committee of the Board.
5. From January 2026, Mr. Shi Jian served as non-executive director of the Bank, and member of the strategy development committee of the Board.
6. From June 2025, Mr. Leung Kam Chung, Antony served as chairman of the risk management committee of the Board.
7. From June 2025, Mr. Zhang Weiguo served as independent non-executive director of the Bank, chairman of the audit committee, and member of the risk management committee, the nomination and remuneration committee and the related party transaction, social responsibility and consumer protection committee of the Board.
8. From June 2025, Mr. Tian Bo ceased to serve as non-executive director of the Bank, and member of the strategy development committee and the audit committee of the Board.
9. From June 2025, Mr. Xia Yang ceased to serve as non-executive director of the Bank, and member of the strategy development committee and the risk management committee of the Board.
10. From June 2025, Mr. Graeme Wheeler ceased to serve as independent non-executive director of the Bank, chairman of the risk management committee, and member of the audit committee, the nomination and remuneration committee and the related party transaction, social responsibility and consumer protection committee of the Board.
11. From June 2025, Mr. Michel Madelain ceased to serve as independent non-executive director of the Bank, chairman of the audit committee, and member of the risk management committee, the nomination and remuneration committee and the related party transaction, social responsibility and consumer protection committee of the Board.



Strategy Development Committee

At the end of 2025, the strategy development committee consisted of ten directors. Mr. Zhang Jinliang, chairman of the Board of the Bank, served as chairman of the committee. Members included Mr. Zhang Yi, Mr. Ji Zhihong, Ms. Xin Xiaodai, Ms. Liu Fang, Ms. Li Lu, Ms. Li Li, Mr. Dou Hongquan, Mr. Leung Kam Chung, Antony and Lord Sassoon. Three of these members were executive directors, five were non-executive directors, and two were independent non-executive directors.

The primary responsibilities of the strategy development committee include:

- preparing the Bank's strategy and development plan, supervising and evaluating the implementation of plan;
- examining the Bank's business plan and investment plan, and submitting them to the Board for consideration;
- examining the report on implementation of business plan and investment plan;
- examining significant organisational adjustment and institutional layout plan, and providing suggestions to the Board;
- examining major investment and financing plan of the Bank, and providing suggestions to the Board;
- examining basic IT architecture plan of the Bank, and providing suggestions to the Board;
- examining the Bank's policies on the assessment and management of capital adequacy ratio;
- other responsibilities stipulated by laws, regulations, regulatory provisions and the Articles of Association of the Bank.

In 2025, the strategy development committee convened a total of seven meetings on 21 February, 28 March, 30 March, 29 April, 26 June, 29 August and 30 October, considered and reviewed 32 proposals, and had seven reports for reference. All members of the committee diligently and conscientiously performed their duties in accordance with laws and regulations, continuously intensified the study and judgement on the macro situation and the research on major strategic issues, attached great importance to the implementation of the Bank's 14th Five-Year Plan, the building of Digital CCB and other important plans, and supervised the implementation of the annual business plan and fixed asset investment budget. According to the latest regulatory requirements and needs of operation and management, the committee reviewed and approved the matters including the annual issuance plan for the Group's financial bonds, the issuance of capital instruments and TLAC non-capital debt instruments, annual business plan and fixed assets investment budget, the authorisation quota for external charitable donations, and the issuance of A-shares to specific target. It reviewed and approved important systems including the measures for donation management and the measures for product innovation and management. It reviewed and approved reports including the report on large shareholder and major shareholder assessment, capital adequacy ratio management report, capital management pillar III reports, and internal capital adequacy assessment report. The committee fully researched, communicated and discussed with the management and relevant departments on the above important matters, and submitted such matters to the Board for decision after reaching a consensus.

Members of strategy development committee	Number of meetings attended in person/ Number of meetings during term of office	Number of meetings attended by proxy/ Number of meetings during term of office
Mr. Zhang Jinliang	7/7	0/7
Mr. Zhang Yi	6/7	1/7
Mr. Ji Zhihong	7/7	0/7
Ms. Xin Xiaodai	2/2	0/2
Ms. Liu Fang	7/7	0/7
Ms. Li Lu	7/7	0/7
Ms. Li Li	2/2	0/2
Mr. Dou Hongquan	2/2	0/2
Mr. Leung Kam Chung, Antony	7/7	0/7
Lord Sassoon	6/7	1/7
Resigned members		
Mr. Tian Bo	5/5	0/5
Mr. Xia Yang	5/5	0/5



Audit Committee

At the end of 2025, the audit committee of the Bank consisted of six directors. Mr. Zhang Weiguo, independent non-executive director of the Bank, served as chairman of the committee. Members included Ms. Liu Fang, Mr. Dou Hongquan, Mr. William Coen, Lord Sassoon and Mr. Lin Zhijun. Two of these members were non-executive directors and four were independent non-executive directors. The composition of the audit committee meets the requirements of corporate governance and domestic and overseas regulatory requirements.

The primary responsibilities of the audit committee include:

- checking the Bank's finance, and reviewing the Bank's financial information and its disclosure;
- supervising and evaluating internal control of the Bank;
- supervising and evaluating internal audit of the Bank;
- supervising and evaluating external audit of the Bank, proposing to the Board the engagement or removal of the accounting firm that conducts regular statutory audit on the financial reports of the Bank, and facilitating communication and coordination between external and internal auditors;
- monitoring possible misconduct;
- supervising the conduct of directors and senior management members in performing their duties;
- requiring directors and senior management members to correct their actions that harm the interests of the Bank;
- proposing the removal of or to file a lawsuit against directors and senior management members who violate laws, administrative regulations, the Articles of Association of the Bank, or resolutions of the shareholders' meeting;
- other responsibilities stipulated by laws, regulations, regulatory provisions and the Articles of Association of the Bank.

In 2025, the audit committee convened a total of seven meetings on 19 February, 27 March, 28 April, 25 June, 28 August, 29 October and 23 December, approved 25 proposals, listened to and discussed 20 reports and had 13 reports for reference. The audit committee provided ample opinions and suggestions on supervisory matters within the reporting period, focused on and advanced the following matters:

The committee supervised and reviewed periodic reports. It reviewed financial report 2024 and half-year financial report 2025, and the first and third quarter financial reports of 2025, adhered to the practice of pre-communication before annual and half-year financial report approval and fully exchanged views with the management and external auditors. The audit committee fully communicated with the management on the annual financial report and formed written opinions before the commencement of onsite work of external auditors. Based on the initial audit opinions given by the external auditors, the committee strengthened communication with external auditors and reviewed the annual financial report again. After the completion of the external audit, the audit committee reviewed and voted on the annual financial report, and submitted it to the Board for deliberation. The committee continued to strengthen the governance of accounting information quality, guide the Bank in addressing the impact of external operating environment, promote strengthening the management of fair value valuation of financial instruments, and enhance the quality of periodic financial reports and information disclosure.

The committee organised and implemented performance supervision and evaluation. The committee advanced the assumption of responsibilities of the board of supervisors in an orderly manner, supervised the performance of duties by directors and senior management members, formulated, reviewed and approved the work arrangements relating to the performance supervision and evaluation of directors and senior management members for 2025. Based on the self-assessment by the evaluated individuals, performance evaluation, document review and collective deliberations, the committee independently and prudently determined the annual performance evaluation results of the directors and senior management members under evaluation.



CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

CORPORATE GOVERNANCE

The committee oversaw and evaluated external audit. It guided to carry out the annual assessment of the external audit work, which was taken as an important consideration for engaging external auditors. It agreed to continue to engage Ernst & Young as the external auditor of the Bank for 2025, and submitted the proposal to the Board for review. The committee regularly listened to the external audit plan and the updates and implementation thereof, communicated over key audit matters and the audit of the financial reports, studied the management recommendations from the external auditors, promoted the enhancement of the application of external audit results and implementation of non-audit services management requirements, and accepted filings of work summaries of external auditors.

The committee oversaw and evaluated internal audit. It guided the formulation of the annual internal audit plan, regularly listened to the updates to the plan and summary reports on internal audit findings, promoted improvements in the quality and efficiency of audit finding remediation efforts, oversaw the audit of the deposit and use of raised funds, and promoted the coordination between internal and external audits. The committee promoted the completion of the external assessment of internal audit quality and the application of the assessment results, carried out the annual internal audit evaluation in a solid and substantial manner, focused on enhancing the quality of internal audit work, and fully leveraged the role of internal audit as the third line of defence.

The committee oversaw and assessed internal control. It continuously monitored the quality and efficiency of the internal control work, assessed the effectiveness of internal control on a regular basis, reviewed and publicly disclosed the internal control assessment report and related materials, and focused on promoting the specific implementation of relevant regulatory requirements for internal control. The committee focused on the identification and remediation efforts related to internal control deficiencies in internal and external audits as well as internal control assessment, promoted the improvement of the internal control across various business areas, and continuously improved the soundness and effectiveness of the internal control system.

	Number of meetings attended in person/ Number of meetings during term of office	Number of meetings attended by proxy/ Number of meetings during term of office
Members of audit committee		
Mr. Zhang Weiguo	4/4	0/4
Ms. Liu Fang	6/7	1/7
Mr. Dou Hongquan	3/3	0/3
Mr. William Coen	7/7	0/7
Lord Sassoon	7/7	0/7
Mr. Lin Zhijun	7/7	0/7
Resigned members		
Mr. Tian Bo	4/4	0/4
Mr. Graeme Wheeler	4/4	0/4
Mr. Michel Madelain	4/4	0/4



Risk Management Committee

At the end of 2025, the risk management committee consisted of seven directors. Mr. Leung Kam Chung, Antony, independent non-executive director of the Bank, served as chairman of the committee. Members included Mr. Zhang Yi, Ms. Xin Xiaodai, Mr. Dou Hongquan, Mr. William Coen, Mr. Lin Zhijun and Mr. Zhang Weiguo. One of these members was executive director, two were non-executive directors and four were independent non-executive directors.

The primary responsibilities of the risk management committee include:

- examining the Bank's risk management policies and risk appetite according to the overall strategy of the Bank, and supervising and evaluating implementation and effectiveness of these policies;
- continuously supervising and reviewing the effectiveness of the Bank's risk management system;
- guiding the development of risk management system of the Bank;
- supervising and evaluating the setting, organisation, work procedures and effectiveness of risk management departments, and make recommendations for improvement;
- reviewing the Bank's risk report, carrying out regular evaluation on the Bank's risks, such as credit risk, market risk, liquidity risk, operational risk, country risk, interest rate risk in the banking book, reputational risk, strategy risk, information technology risk and model risk, supervising the Bank's climate-related risks and opportunity management, and giving opinions on the improvement of the Bank's risk management;
- evaluating the relevant work of senior management members of the Bank in charge of risk management;

- supervising the compliance of core businesses, management systems and major operation activities of the Bank;
- performing the duties and powers of the US Risk Management Committee concurrently;
- other duties and powers stipulated by laws, regulations, regulatory provisions and the Articles of Association of the Bank.

In 2025, the risk management committee convened a total of six meetings on 20 February, 27 March, 28 April, 25 June, 27 August and 28 October. The committee adhered to bottom-line thinking, intensified the study, judgement and response to the external situation, enhanced the group-wide integrated risk management and control, promoted the building of risk and compliance culture, guided the Bank to strengthen risk prevention and control in real estate, inclusive finance, retail business and related areas, reinforced the institutional foundations for market risk, compliance management and data security, and promoted enhancing the risk resilience of information system and the capacity for centralised AML management. It performed the duties of the US Risk Management Committee, continued to strengthen look-through risk management of overseas operations and subsidiaries, and established a long-term mechanism for risk management.

The risk management committee continued to supervise the effectiveness of the comprehensive risk management system and regularly listened to the reports on the overall risk management of the Group. Please refer to "Management Discussion and Analysis – Risk Management" for details of risk management.

Members of risk management committee	Number of meetings attended in person/ Number of meetings during term of office	Number of meetings attended by proxy/ Number of meetings during term of office
Mr. Leung Kam Chung, Antony	6/6	0/6
Mr. Zhang Yi	5/6	1/6
Ms. Xin Xiaodai	2/2	0/2
Mr. Dou Hongquan	2/2	0/2
Mr. William Coen	6/6	0/6
Mr. Lin Zhijun	6/6	0/6
Mr. Zhang Weiguo	2/3	1/3
Resigned members		
Mr. Xia Yang	4/4	0/4
Mr. Graeme Wheeler	4/4	0/4
Mr. Michel Madelain	4/4	0/4



CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

CORPORATE GOVERNANCE

Nomination and Remuneration Committee

At the end of 2025, the nomination and remuneration committee consisted of five directors. Mr. Leung Kam Chung, Antony, independent non-executive director of the Bank, served as chairman of the committee. Members included Ms. Li Lu, Ms. Li Li, Lord Sassoon and Mr. Zhang Weiguo. Two of these members were non-executive directors, and three were independent non-executive directors.

The primary responsibilities of the nomination and remuneration committee include:

- organising the formulation of standards and procedures for the election of directors and senior management members of the Bank, and submitting the proposed standards and procedures to the Board for decision;
- selecting and reviewing candidates for directors and senior management members as well as their appointment qualifications;
- making suggestions to the Board on the nomination, appointment or removal of directors as well as the appointment or removal of senior management members;
- proposing to the Board on candidates for members of special committees of the Board;
- listening to development plans for the senior management members and fostering plans for the key backup talents;
- reviewing the Bank's remuneration management policy submitted by the president, and submitting it to the Board for decision;
- organising the preparation of performance evaluation methods and remuneration plans for directors, and submitting them to the Board for review;
- organising the preparation of performance evaluation methods and remuneration plans for the senior management members, and submitting them to the Board for decision;
- organising performance evaluation on directors, making proposals on the distribution of remuneration of directors, and submitting it to the Board for review;
- organising performance evaluation for the senior management members, making suggestions on remuneration distribution for the senior management members of the Bank, and submitting it to the Board for decision;
- supervising the implementation of the Bank's performance evaluation policy and remuneration policy;
- other duties and powers stipulated by laws, regulations, regulatory provisions and the Articles of Association of the Bank.

In 2025, the nomination and remuneration committee convened a total of ten meetings on 20 February, 27 March, 18 April, 28 April, 26 June, 17 July, 27 August, 28 October, 10 November and 23 December. The committee continued to advance the Board's diversity policy, regularly reviewed the structure, size and composition of the Board and proposed adjustment suggestions. In accordance with the relevant requirements for nomination of directors, members of special committees under the Board, and appointment of senior management members as stipulated in the Articles of Association of the Bank and the terms of reference for the committee, it rigorously reviewed the appointment qualifications and requirements of candidates, made recommendations to the Board regarding candidates, and assessed directors' performance and contributions. It improved the remuneration incentive and constraint mechanism, reviewed the performance evaluation and remuneration distribution and settlement plan, and supervised the implementation of clawback of performance-based remuneration. The committee strengthened talent cultivation and planning, promoted the development of a digital system of employee training, and consolidated the foundation of the professional talent team.

	Number of meetings attended in person/ Number of meetings during term of office	Number of meetings attended by proxy/ Number of meetings during term of office
Members of nomination and remuneration committee		
Mr. Leung Kam Chung, Antony	10/10	0/10
Ms. Li Lu	10/10	0/10
Ms. Li Li	4/4	0/4
Lord Sassoon	10/10	0/10
Mr. Zhang Weiguo	5/6	1/6
Resigned members		
Mr. Graeme Wheeler	5/5	0/5
Mr. Michel Madelain	5/5	0/5



Related Party Transaction, Social Responsibility and Consumer Protection Committee

At the end of 2025, the related party transaction, social responsibility and consumer protection committee consisted of five directors. Mr. William Coen, independent non-executive director of the Bank, served as chairman of the committee. Members included Mr. Ji Zhihong, Ms. Xin Xiaodai, Mr. Lin Zhijun and Mr. Zhang Weiguo. One of the members was executive director, one was non-executive director, and three were independent non-executive directors.

The primary responsibilities of the related party transaction, social responsibility and consumer protection committee include:

- taking charge of the management, review and risk control of related party transactions, and paying extra attention to compliance, fairness and necessity of related party transactions;
- accepting filing of general related party transactions, reviewing material related party transactions, and submitting them to the Board for approval;
- studying and preparing the Bank's social responsibility strategy and policy;
- supervising, inspecting and assessing the Bank's performance of social responsibilities, and guiding and supervising the preparation of the sustainability report;
- studying and preparing the ESG management policies and strategies, tracking and assessing progress on a regular basis, and guiding and monitoring disclosure of relevant information;
- studying and preparing the Bank's green finance strategy, and supervising and evaluating the implementation of the green finance strategy;
- supervising and guiding the management in promoting the work related to inclusive finance;
- guiding and supervising the establishment and improvement of the management policy system of

consumer protection, urging the senior management to implement relevant work, guiding the disclosure of material information of consumer protection and fulfilling other management duties for consumer protection required by laws, regulations and regulatory provisions;

- other responsibilities stipulated by laws, regulations, regulatory provisions and the Articles of Association of the Bank.

In 2025, the related party transaction, social responsibility and consumer protection committee convened a total of six meetings on 19 February, 26 March, 27 April, 25 June, 28 August and 28 October. The committee continued to strengthen the supervision and management of related-party transactions, regularly listened to the situation of related-party transactions and related management, accepted the filing of general related-party transactions, promoted the implementation of new regulatory rules relating to related-party transactions, enhanced governance procedures to meet regulatory requirements and strengthened internal audit supervision of related-party transactions. It supervised and assessed the performance of social responsibility, guided the preparation of the sustainability report, and continued to enhance the quality of sustainable information disclosure. It tracked and supervised work related to green finance, inclusive finance and rural revitalisation finance, regularly listened to the work reports, promoted integrated development in key areas and enhanced the quality and efficiency of serving the real economy with financial services. Upholding the people-centred value orientation, the committee actively performed its duties in consumer protection, continued to strengthen coordinated guidance of consumer protection, regularly listened to the work reports, supervised and assessed the implementation of relevant work, paid attention to the circular on complaints transferred by regulatory authorities and their assessment of consumer protection, and emphasised the application of audit findings of consumer protection. It continued to track and guide ESG work, regularly listened to special reports, followed up and assessed the progress of work plans, and continued to strengthen the capabilities of sustainable information disclosure, vigorously boosting the improvement of the effectiveness of ESG work of the Bank.

Members of related party transaction, social responsibility and consumer protection committee	Number of meetings attended in person/ number of meetings during term of office	Number of meetings attended by proxy/ number of meetings during term of office
Mr. William Coen	6/6	0/6
Mr. Ji Zhihong	4/6	2/6
Ms. Xin Xiaodai	2/2	0/2
Mr. Lin Zhijun	6/6	0/6
Mr. Zhang Weiguo	3/3	0/3
Resigned members		
Mr. Graeme Wheeler	4/4	0/4
Mr. Michel Madelain	4/4	0/4



SENIOR MANAGEMENT

Responsibilities of Senior Management

The senior management is accountable to the Board and implements the authorisation delegated by the Board to the senior management by strictly complying with the Articles of Association of the Bank and other corporate governance documents. President of the Bank exercises the following functions:

- presiding over the operation and management of the Bank, organising the implementation of resolutions of the Board, and reporting his/her work to the Board;
- submitting operation and investment plans of the Bank to the Board, and organising the implementation of such plans upon approval of the Board;
- drafting schemes for setting up the Bank's internal management departments;
- drafting basic management systems of the Bank;
- formulating specific rules of the Bank;
- proposing to the Board to appoint or remove executive vice presidents and other senior management members (except chief audit officer, the secretary to the Board and other persons not nominated by the president as specified by laws, regulations and regulatory provisions);
- determining to appoint or remove persons in charge of the internal functional departments and branches of the Bank other than those to be appointed or removed by the Board;
- authorising senior management members (except chief audit officer and the secretary to the Board) and persons in charge of internal functional departments and branches to conduct operation activities;
- establishing president accountability system, and conducting evaluation of business performance over managers of business departments, managers of functional departments and heads of branches;
- proposing the convening of interim meetings of the Board;
- adopting emergency measures and promptly reporting it to the banking regulatory institution of the State Council, relevant authorities, and the Board, in case any significant unexpected incident such as a run on the Bank happens to the Bank;
- other functions that should be exercised by president according to laws, regulations, regulatory provisions, the Articles of Association of the Bank, and decisions of the shareholders' meeting and the Board.

Executive vice presidents and other senior management members of the Bank shall assist president with his work. When the president is absent or unable to exercise his duties and powers, the Board shall designate a person to exercise the duties and powers on his behalf.

Operation of Senior Management

Based on the authorisation of the Articles of Association of the Bank and other corporate governance documents and the Board, the senior management organises operation and management activities of the Bank in an orderly manner. According to the strategies and targets set by the Board, it makes comprehensive operation plans and regularly reports to the Board on implementation of strategies and plans. The senior management analyses and assesses internal and external environment, formulates operation strategies and management measures, and makes timely adjustments in line with market changes. The senior management invites directors to participate in important meetings and major events, takes advice and suggestions, and keeps close communication with the Board, so as to enhance the operation and management capabilities and operational efficiency.



PROFILES OF DIRECTORS AND SENIOR MANAGEMENT

Particulars of Directors and Senior Management

Directors of the Bank

Name	Position	Gender	Age	Term of Office
Zhang Jinliang	Chairman ¹ , executive director	Male	56	June 2022 to 2027 annual shareholders' meeting
Zhang Yi	Vice chairman ² , executive director	Male	55	June 2024 to 2026 annual shareholders' meeting
Ji Zhihong	Executive director	Male	57	June 2023 to 2025 annual shareholders' meeting
Xin Xiaodai	Non-executive director	Female	58	August 2025 to 2027 annual shareholders' meeting
Liu Fang	Non-executive director	Female	52	January 2021 to 2025 annual shareholders' meeting
Li Lu	Non-executive director	Female	45	March 2023 to 2027 annual shareholders' meeting
Li Li	Non-executive director	Female	54	July 2025 to 2027 annual shareholders' meeting
Dou Hongquan	Non-executive director	Male	57	August 2025 to 2027 annual shareholders' meeting
Shi Jian	Non-executive director	Male	52	January 2026 to January 2029
William Coen	Independent non-executive director	Male	63	June 2021 to 2026 annual shareholders' meeting
Leung Kam Chung, Antony	Independent non-executive director	Male	74	October 2021 to 2026 annual shareholders' meeting
Lord Sassoon	Independent non-executive director	Male	70	October 2023 to 2025 annual shareholders' meeting
Lin Zhijun	Independent non-executive director	Male	71	September 2024 to 2026 annual shareholders' meeting
Zhang Weiguo	Independent non-executive director	Male	68	June 2025 to 2027 annual shareholders' meeting
Resigned directors				
Tian Bo	Non-executive director	Male	54	August 2019 to 2024 annual general meeting
Xia Yang	Non-executive director	Male	57	August 2019 to 2024 annual general meeting
Graeme Wheeler	Independent non-executive director	Male	74	October 2019 to 2024 annual general meeting
Michel Madelain	Independent non-executive director	Male	70	January 2020 to 2024 annual general meeting

1. Mr. Zhang Jinliang began to serve as chairman of the Board of the Bank from March 2024.

2. Mr. Zhang Yi began to serve as vice chairman of the Board of the Bank from July 2024.

Senior Management of the Bank

Name	Position	Gender	Age	Term of Office
Zhang Yi	President and chief compliance officer ¹	Male	55	May 2024 –
Ji Zhihong	Executive vice president and secretary to the Board ²	Male	57	August 2019 –
Li Jianjiang	Executive vice president and chief risk officer	Male	53	May 2024 –
Han Jing	Executive vice president	Female	56	May 2025 –
Lei Ming	Executive vice president	Male	56	August 2025 –
Tang Shuo	Executive vice president	Male	47	January 2026 –
Sheng Liurong	Chief financial officer	Male	60	November 2022 –
Resigned senior management				
Li Yun	Executive vice president	Male	52	November 2021 to March 2025
Jin Panshi	Chief information officer	Male	61	March 2021 to April 2025

1. Mr. Zhang Yi began to concurrently serve as chief compliance officer of the Bank from February 2026.

2. Mr. Ji Zhihong began to concurrently serve as secretary to the Board of the Bank from April 2025.



Shareholdings of Directors and Senior Executives

During the reporting period, there was no change in the shareholdings of directors and senior executives of the Bank. The Bank's certain directors and senior executives indirectly held H-shares of the Bank via the employee stock incentive plan of the Bank before they assumed current positions. Specifically, Mr. Zhang Yi held 9,848 H-shares, Mr. Lei Ming held 11,563 H-shares, and Mr. Sheng Liurong held 17,521 H-shares. Apart from the above, other directors and senior executives of the Bank did not hold any shares of the Bank.

Changes in Directors and Senior Management

Directors of the Bank

Upon election at the 2024 annual general meeting, Mr. Zhang Jinliang continued to serve as executive director and chairman of the Bank from June 2025, and Ms. Li Lu continued to serve as non-executive director of the Bank from June 2025. Upon election at the first extraordinary general meeting of 2025 and approval of the NFRA, Mr. Zhang Weiguo began to serve as independent non-executive director of the Bank from June 2025, and Ms. Li Li began to serve as non-executive director of the Bank from July 2025. Upon election at the 2024 annual general meeting and approval of the NFRA, Ms. Xin Xiaodai and Mr. Dou Hongquan began to serve as non-executive directors of the Bank from August 2025. Upon election at the second extraordinary shareholders' meeting of 2025 and approval of the NFRA, Mr. Shi Jian began to serve as non-executive director of the Bank from January 2026. Ms. Xin Xiaodai, Ms. Li Li, Mr. Dou Hongquan, Mr. Shi Jian and Mr. Zhang Weiguo obtained the legal advice referred to in Rule 3.09D of the Listing Rules of Hong Kong Stock Exchange on 2 July 2025, 26 June 2025, 2 July 2025, 28 January 2026 and 5 June 2025, respectively, and confirmed their understanding of their obligations as directors of the Bank.

Due to expiration of terms of office, Mr. Tian Bo and Mr. Xia Yang ceased to serve as non-executive directors of the Bank, and Mr. Graeme Wheeler and Mr. Michel Madelain ceased to serve as independent non-executive directors of the Bank from June 2025.

Senior Management of the Bank

Upon appointment of the Board of the Bank, Mr. Zhang Yi began to concurrently serve as chief compliance officer of the Bank from February 2026. Upon appointment of the Board of the Bank, Mr. Ji Zhihong began to concurrently serve as secretary to the Board of the Bank from April 2025. Upon appointment of the Board of the Bank and approval of the NFRA, Ms. Han Jing began to serve as executive vice president of the Bank from May 2025. Upon appointment of the Board of the Bank and approval of the NFRA, Mr. Lei Ming began to serve as executive vice president of the Bank from August 2025. Upon appointment of the Board of the Bank and approval of the NFRA, Mr. Tang Shuo began to serve as executive vice president of the Bank from January 2026.

Due to work adjustment, Mr. Li Yun ceased to serve as executive vice president of the Bank from March 2025. By reason of age, Mr. Jin Panshi ceased to serve as chief information officer of the Bank from April 2025.

Changes in Personal Information of Directors and Senior Management

Mr. Zhang Yi, vice chairman of the Board, executive director, president and chief compliance officer of the Bank, began to concurrently serve as chairman of Sino-German Bausparkasse from January 2025.

Ms. Li Li, non-executive director of the Bank, ceased to serve as vice president (deputy director-general level) of Beijing National Accounting Institute from September 2025.

Mr. Shi Jian, non-executive director of the Bank, began to serve as executive vice president of China Great Wall AMC from March 2026.

Mr. William Coen, independent non-executive director of the Bank, ceased to serve as chairman of the IFRS Advisory Council from February 2025.

Lord Sassoon, independent non-executive director of the Bank, began to serve as chairman of the Pilgrim Trust from January 2025.

Mr. Zhang Weiguo, independent non-executive director of the Bank, has served as a member of the Academic Committee of the China Capital Market Society since June 2025, and as a member of the Supervisory Board of the Capitals Coalition since November 2025. He ceased to serve as Executive Committee member of the International Foundation for Valuing Impacts from November 2025, and ceased to hold the position of Distinguished Visiting Professor at the School of Accountancy, Shanghai University of Finance and Economics from January 2026.

Ms. Han Jing, executive vice president of the Bank, began to concurrently serve as chairperson of CCB Asia from September 2025 and chairperson of the Council of the Strategic Emerging Industries Development Fund from November 2025.

Biographical Details of Directors and Senior Management

Directors of the Bank

**Zhang Jinliang** >>> **chairman and executive director**

Mr. Zhang has served as chairman of the Board of the Bank since March 2024 and executive director of the Bank since June 2022. Mr. Zhang began to serve as vice chairman of the eighth session of the council of China Society for Finance & Banking from April 2023, and concurrently serve as member of International Advisory Panel of Monetary Authority of Singapore from October 2024, and vice chairman of the ninth session of the council of China Banking Association from November 2024. He served as vice chairman of the Board from June 2022 to March 2024 and as president of the Bank from May 2022 to March 2024. From August 2018 to April 2022, Mr. Zhang served as director and general manager of China Post Group Corporation Limited (previously China Post Group Corporation). From May 2019 to April 2022, Mr. Zhang served as chairman and non-executive director of Postal Savings Bank of China Co., Ltd. From January 2016 to August 2018, Mr. Zhang was executive director of China Everbright Group and executive director and president of China Everbright Bank. From October 2003 to January 2016, Mr. Zhang served successively as deputy general manager of finance & accounting department, head of IT blueprint implementation office, general manager of financial management department, general manager of Beijing Branch, executive director and executive vice president of Bank of China. Mr. Zhang is a certified public accountant and senior accountant. He obtained a PhD degree in economics from Xiamen University in 1997.

**Zhang Yi** >>> **vice chairman, executive director,
president and chief compliance officer**

Mr. Zhang has served as vice chairman of the Board of the Bank since July 2024, executive director of the Bank since June 2024, and president of the Bank since May 2024. Mr. Zhang began to concurrently serve as chief compliance officer of the Bank from February 2026 and chairman of Sino-German Bausparkasse from January 2025. Mr. Zhang served as executive vice president of BOC from March 2023 to May 2024 and executive director of BOC from April 2024 to May 2024. He served as executive vice president of ABC from November 2021 to March 2023, and chief financial officer of the Bank from April 2021 to September 2021. Prior to that, Mr. Zhang served successively as deputy general manager of the asset & liability management department of the Bank, deputy general manager and general manager of Jiangsu Branch of the Bank, and general manager of the finance & accounting department of the Bank. Mr. Zhang is a senior accountant. He graduated from Southwestern University of Finance and Economics in 1993 with a bachelor's degree, and graduated from Renmin University of China in 2002 with a master's degree in business administration.

**Ji Zhihong** »

executive director,
executive vice president and secretary to the Board

Mr. Ji has served as executive director of the Bank since June 2023 and executive vice president of the Bank since August 2019. Mr. Ji began to serve concurrently as secretary to the Board of the Bank from April 2025 and chairman of the Council of CCB Housing Rental Fund from November 2022. He served as director-general of the financial market department of the PBOC from August 2013 to May 2019, during which he was concurrently director of the financial market management department of the Shanghai Head Office from August 2013 to May 2016. From September 2012 to August 2013, he was director-general of the research bureau of the PBOC. From April 2010 to September 2012, he was deputy director-general of the monetary policy department of the PBOC. From February 2008 to April 2010, he was deputy director (deputy director-general level) of the open market operations department of the PBOC Shanghai Head Office. Mr. Ji is a research fellow. He obtained a master's degree in international finance from the Graduate School of the PBOC (now PBOC School of Finance, Tsinghua University) in 1995 and a PhD degree in national economics from Chinese Academy of Social Sciences in 2005.

**Xin Xiaodai** »

non-executive director

Ms. Xin has served as non-executive director of the Bank since August 2025. Ms. Xin joined Huijin in 2020. From May 2020 to August 2025, Ms. Xin served as director of China Export & Credit Insurance Corporation. From November 2015 to May 2020, she consecutively served as deputy general manager of China-LAC Capacity Cooperation Investment Fund Co., Ltd., and supervisor of Beijing Jiyuan Investment Co., Ltd. From November 2004 to November 2015, she worked in the monetary policy department of the PBOC, consecutively serving as cadre, deputy consultant and director. Ms. Xin is a senior economist. She obtained a master's degree in economics from the department of international economics of Nankai University in 1993 and a PhD degree in economics from the department of economics at the Ohio State University in the United States in 2004.

**Liu Fang** »

non-executive director

Ms. Liu has served as non-executive director of the Bank since January 2021. Ms. Liu joined Huijin in 2021. Ms. Liu served as deputy director-general of the general affairs department (policy and regulation department) and counsel of SAFE from July 2019 to February 2021. From March 2015 to June 2019, she was deputy director-general of the general affairs department (policy and regulation department) of SAFE. From July 1999 to February 2015, Ms. Liu consecutively served as chief staff member and deputy director of the balance of payments department of SAFE, deputy director and director of the general affairs department (policy and regulation department) of SAFE. Ms. Liu graduated from School of International Economics of Renmin University of China with a master's degree in economics in 1999.

**Li Lu** »**non-executive director** —

Ms. Li has served as non-executive director of the Bank since March 2023. Ms. Li joined Huijin in 2005. From January 2005 to March 2023, Ms. Li took up posts in Huijin including business manager and deputy senior manager of BOC equity management division of bank department, senior manager of research and support division of banking institution management department I, director of CCB division of equity management department I, and managing director of equity management department I. During her terms of office, Ms. Li worked as deputy general manager of Dongcheng Sub-branch, Beijing Branch, BOC from May 2012 to April 2013. Ms. Li obtained a bachelor's degree in economics from Capital University of Economics and Business in 2002 and received her master's degree of science from University of Surrey in the United Kingdom in 2003.

**Li Li** »**non-executive director** —

Ms. Li has served as non-executive director of the Bank since July 2025. Ms. Li joined Huijin in 2025. From December 2018 to September 2025, Ms. Li served as vice president (deputy director-general level) of Beijing National Accounting Institute. From December 2014 to December 2018, she successively served as a discipline inspector and supervisor at the director level and then at the deputy director-general level of the Supervision Bureau of the Discipline Inspection Office of the Supervision Department of the CPC Central Commission for Discipline Inspection ("CCDI") at the MOF, a discipline inspector at the deputy director-general level of the Discipline Inspection Office of the CCDI at the MOF, and a discipline inspector at the deputy director-general level of the Discipline Inspection and Supervision Office of the CCDI and the National Commission of Supervision at the MOF. Ms. Li graduated with a bachelor's degree in metal materials and heat treatment from the department of materials engineering at Xi'an Technological University in 1993.

**Dou Hongquan** » **non-executive director** —

Mr. Dou has served as non-executive director of the Bank since August 2025. Mr. Dou joined Huijin in 2019. From July 2019 to June 2025, Mr. Dou served as director of China Everbright Group, during which he concurrently served as director of China Everbright Bank from October 2019 to July 2020. From November 2011 to July 2019, he consecutively served as full-time supervisor and non-employee representative supervisor of the board of supervisors in CITIC Group, managing director of the office of China Securities Co., Ltd., and vice chairman of China Capital Management Co., Ltd. From September 2001 to November 2011, he served at the board of supervisors of state-owned key financial institutions, during which he served as director-level full-time supervisor of each of China Everbright Group and CITIC Group. From July 1995 to September 2001, he worked in the non-banking department of the PBOC. Mr. Dou is a senior economist and non-practicing member of the Chinese Institute of Certified Public Accountants. He obtained a master's degree in science from the Guanghua School of Management, Peking University in 1995, and a PhD degree in economics from Research Institute of the PBOC in 2005.

**Shi Jian** ➤**non-executive director** —

Mr. Shi has served as non-executive director of the Bank since January 2026. Mr. Shi has served as executive vice president of China Great Wall AMC since March 2026. He served as assistant president of China Great Wall AMC from June 2021. He served as secretary to the board of directors of China Great Wall AMC from May 2018 to March 2023, and director of board of directors office (office of introducing strategic investors and listing) of China Great Wall AMC from December 2017 to June 2021. Mr. Shi successively served as assistant general manager of the Investment (Banking) Department, assistant general manager and deputy general manager of the Financial NPAs Business Department, and general manager of the Sichuan Branch of China Great Wall AMC from November 2011 to December 2017, and successively served as principal staff member and secretary (vice director level) of the general office, and vice director and director of the Investment Management Department of China Great Wall AMC from November 1999 to November 2011. He served as a staff member of the MOF from July 1996 to November 1999. Mr. Shi obtained a bachelor's degree in finance from Tianjin University of Finance and Economics in July 1996.

**William Coen** ➤**independent non-executive director** —

Mr. Coen has served as independent non-executive director of the Bank since June 2021. Mr. Coen has served as independent non-executive director of Buna, a cross-border payment system in the Arab region, since July 2022, and as member of Global Advisory Board of Mitsubishi UFJ Financial Group, Inc. since October 2021. He currently serves as a member of the Advisory Board of Baton Systems, Inc. since June 2021, and chief regulatory adviser for Suade Labs since April 2021. He has been member of the board of directors of the Toronto Leadership Centre since November 2019 and technical advisor of the International Monetary Fund since July 2019. He served as chairman of the IFRS Advisory Council from 2020 to 2025, senior advisor of global financial services of KPMG from 2022 to 2024, secretary general of the Basel Committee on Banking Supervision from 2014 to 2019, deputy secretary general of the Basel Committee on Banking Supervision from 2007 to 2014, and supported BIS Financial Stability Institute from 2003 to 2006. Prior to joining the Basel Committee on Banking Supervision Secretariat in 1999, he consecutively worked with the US Office of Comptroller of the Currency and the US Board of Governors of the Federal Reserve System. Mr. Coen is currently a member of the Bretton Woods Committee and was a member of the Financial Stability Board and its standing committees. He obtained his bachelor of science degree from Manhattan College in 1984 and his master of business administration degree from Fordham University in 1991.



Leung Kam Chung, Antony >>> **independent
non-executive director**

Mr. Leung has served as independent non-executive director of the Bank since October 2021. Mr. Leung, former Financial Secretary of the Hong Kong SAR, is chairman of Nan Fung Group in Hong Kong, chairman and co-founder of New Frontier Group, and is chairman and co-founder of Solomon Learning. In addition, Mr. Leung is chairman of two charity organisations, namely "Heifer Hong Kong" and "Food Angel". Mr. Leung had extensive experience in financial services, including chairman of Greater China Region of Blackstone Group, chairman of Asia for JP Morgan Chase and head of Private Banking for Asia, Investment Banking, Treasury Department and Greater China Region of Citi. Mr. Leung had also served as independent non-executive director of China Merchants Bank, Industrial and Commercial Bank of China, China Mobile (Hong Kong) Limited and American International Assurance (Hong Kong) Limited, international advisor of China Development Bank, chief executive officer of Nan Fung Group in Hong Kong and chairman of Hong Kong Association of Harvard Business School. Other public services that Mr. Leung had engaged in included non-official member of the Executive Council of the Hong Kong SAR, chairman of the Education Commission, chairman of the University Grants Committee, member of the Exchange Fund Advisory Committee, director of Hong Kong Airport Authority and director of Hong Kong Futures Exchange, member of the Preparatory Committee for the Hong Kong Special Administrative Region, member of the First Government Election Committee of the Hong Kong Special Administrative Region and Hong Kong Affairs Advisors. Mr. Leung graduated from the University of Hong Kong in 1973 and attended Harvard Business School's Programme for Management Development and Advanced Management Programme. Mr. Leung was conferred an honorary doctor degree of law by the Hong Kong University of Science and Technology in 1998.



Lord Sassoon >>> **independent non-executive director**

Lord Sassoon has served as independent non-executive director of the Bank since October 2023. Lord Sassoon is a member of the International Advisory Council of the China Investment Corporation (CIC), president of the China-Britain Business Council (CBBC), chairman of Sir John Soane's Museum, a trustee emeritus of the British Museum (served as trustee and deputy chairman from 2013 to 2021), independent non-executive director of Barco NV, Arbuthnot Banking Group PLC, and Arbuthnot Latham & Co., Limited, and chairman of the Pilgrim Trust. He formerly served as a member of the Global Advisory Board of Mitsubishi UFJ Financial Group from 2013 to 2021, and a director of Jardine Matheson Holdings Limited and other Jardine group companies from 2013 to 2020. He was chairman of CBBC from 2013 to 2019, and president of the EU-China Business Association from 2013 to 2017. He was Commercial Secretary to the Treasury from 2010 to 2013 and chaired the Financial Action Task Force from 2007 to 2008. He served as a managing director in HM Treasury from 2002 to 2006 with responsibility for Financial Services and Enterprise Policy. During his career, he has had a consistent focus on business relating to Asia, and participated in the UK-China Economic and Financial Dialogue from 2002. Lord Sassoon joined S.G. Warburg (later UBS Warburg) in 1985, becoming a managing director in 1995. He began his career at KPMG in 1977, qualifying as an associate of the Institute of Chartered Accountants in England and Wales. Lord Sassoon joined the House of Lords in 2010. He was educated at the University of Oxford, where he read philosophy, politics and economics, and obtained his master of arts degree in 1977.

**Lin Zhijun** ➤**independent non-executive director** —

Mr. Lin Zhijun has served as independent non-executive director of the Bank since September 2024. Mr. Lin is the Senior Advisor to the President, Professor and PhD Supervisor of the Macau University of Science and Technology, independent non-executive director of China Everbright Limited and BOCOM International Holdings Company Limited. Previously, he served as independent non-executive director of Sinotruk (Hong Kong) Limited and Dali Foods Group Company Limited. He was also Vice President and Dean of the School of Business of the Macau University of Science and Technology, Professor and Head of the Department of Accountancy and Law at Hong Kong Baptist University, Visiting Professor at the University of Hong Kong, and Associate Professor at the Faculty of Management at the University of Lethbridge, Canada, Associate Professor at College of Economics, Xiamen University. Mr. Lin worked at the Toronto office of an international accounting firm (now known as "Deloitte"). Mr. Lin is a member of the American Institute of Certified Public Accountants, the Chinese Institute of Certified Public Accountants, Chartered Global Management Accountants and the Australian Institute of Certified Management Accountants. Mr. Lin holds a master's degree in economics from Xiamen University, a master of science in business administration from University of Saskatchewan in Canada and a PhD degree in economics (accounting) from Xiamen University.

**Zhang Weiguo** ➤**independent non-executive director** —

Mr. Zhang has served as independent non-executive director of the Bank since June 2025. Mr. Zhang currently serves as a Practice Professor of the Dishui Lake Advanced Finance Institute of Shanghai University of Finance and Economics, chairman of the Accounting Professional Advisory Committee of the Shenzhen Stock Exchange, member of the Academic Committee of the China Capital Market Society, advisor of the Postdoctoral Research Station of the CSRC, Consulting Expert for Sustainability Disclosure Standards of the MOF, and member of the Supervisory Board of the Capitals Coalition. He formerly served as independent non-executive director of Yonyou Network Technology Co., Ltd from 2018 to 2024. He was a full-time board member of the International Accounting Standards Board from 2007 to 2017, during which he concurrently served as a member of the International Advisory Committee of the CSRC. From 1997 to 2007, he served as chief accountant and director general of the Department of Accounting and the Department of International Affairs at the CSRC, and member of CSRC's Stock Issuance and Listing Review Committee, Administrative Sanctions Committee and Administrative Reconsideration Committee. He was a lecturer, associate professor, professor, head of the accounting department, and doctoral advisor at Shanghai University of Finance and Economics from 1985 to 1997. Mr. Zhang Weiguo served as a member of the first standing committee in charge of accounting, auditing and disclosure at the International Organisation of Securities Commissions, a member of the Accounting Standards Committee and the Auditing Standards Committee of the MOF, standing director of the Chinese Institute of Certified Public Accountants, and standing director of the China Appraisal Society. Mr. Zhang Weiguo was awarded Special Government Allowance by the State Council. He graduated with a PhD degree in economics (accounting) from Shanghai University of Finance and Economics in 1990.



Senior management of the Bank

**Zhang Yi** >>>**president and chief compliance officer**

See "Directors of the Bank".

**Ji Zhihong** >>>**executive vice president and
secretary to the Board**

See "Directors of the Bank".

**Li Jianjiang** >>>**executive vice president and chief risk officer**

Mr. Li has served as executive vice president and chief risk officer of the Bank since May 2024. Mr. Li served as general manager of Chongqing Branch of China Development Bank ("CDB") from June 2020 to March 2024, deputy general director of the executive office of CDB from May 2018 to June 2020, and deputy general manager of Gansu Branch of CDB from April 2015 to May 2018. Mr. Li is a senior economist. Mr. Li graduated from China School of Banking and Finance with a bachelor's degree in 1996.

**Han Jing** >>>

executive vice president —

Ms. Han has served as executive vice president of the Bank since May 2025. Ms. Han began to concurrently serve as chairperson of CCB Asia from September 2025 and chairperson of the Council of the Strategic Emerging Industries Development Fund from November 2025. She served as general manager of Henan Branch of ABC from April 2023 to March 2025. She held the positions of head and general manager of the institutional business department of ABC from February 2018 to February 2023, concurrently serving as head of the Shanghai management department during this period. From August 2013 to February 2018, she was deputy general manager of Jiangsu Branch of ABC. Ms. Han is a senior economist. She graduated from Nanjing Agricultural University with a master's degree in 1994.

**Lei Ming** >>>

executive vice president —

Mr. Lei has served as executive vice president of the Bank since August 2025. He has served as chairman and executive director of CCB FinTech Co., Ltd. since September 2023. From May 2018 to September 2023, he served as president and executive director of CCB FinTech Co., Ltd. From April 2016 to May 2018, he served as deputy general manager of the financial market trading centre of the Bank. From November 2011 to April 2016, he served as deputy general manager of the commodities and futures trading department under the financial market department of the Bank. Mr. Lei is a senior economist, and graduated from Tongji University with a master's degree in 1995.

Tang Shuo >>>**executive vice president**

Mr. Tang has served as executive vice president of the Bank since January 2026. From October 2025 to December 2025, Mr. Tang served as business controller (corporate and institutional banking business) at Bank of Communications ("BOCOM"). He served at BOCOM successively as general manager of Guangdong Branch and general manager of Beijing Branch from March 2021 to December 2025. He served at BOCOM successively as deputy general manager and general manager of Jiangxi Branch from July 2018 to March 2021, and successively as assistant general manager and deputy general manager of Beijing Branch from April 2016 to July 2018. Mr. Tang is a senior economist. He graduated from Xi'an Jiaotong University with a bachelor's degree in 2001 and obtained a master's degree in engineering from Beijing Jiaotong University in 2018.

Sheng Liurong >>>**chief financial officer**

Mr. Sheng has served as chief financial officer of the Bank since November 2022 and concurrently served as chairman of CCB Principal Asset Management since September 2023. Mr. Sheng served as general manager of asset and liability management department of the Bank from March 2020 to May 2024. Mr. Sheng concurrently served as non-executive director of CCB Financial Leasing from August 2018 to October 2023. He served as head and general manager of the financial market department of the Bank from September 2017 to March 2020, general manager of Xiamen Branch of the Bank from July 2014 to September 2017, deputy general manager of Xiamen Branch of the Bank from October 2003 to July 2014, and head of the preparation team of Chile Branch of the Bank from May 2013 to July 2014. Mr. Sheng is a senior economist. He graduated from Xiamen University with a bachelor's degree in finance in 1986, a master's degree in money and banking in 1990, and obtained a PhD degree in economics from Xiamen University in 1997.



Remuneration of Directors and Senior Management

Remuneration Policy for Directors and Senior Management

The Bank has specified standards in relation to the remuneration policy for directors and senior management. The remuneration policy for enterprise leaders administered by the CPC Central Committee complies with the relevant measures on remuneration for heads of financial enterprises under central administration. Pursuant to relevant government policies regarding remuneration reform for heads of state-owned enterprises, remuneration for the Bank's leaders administered by the CPC Central Committee includes three parts, namely the basic annual salary, performance-based annual salary and tenure incentive income. The Bank's remuneration policy for other senior executives is based on the principle of the combination of incentives and constraints, short-term incentives and long-term incentives, and governmental regulations and market adjustment. The remuneration consists of a basic annual salary and a performance-based annual salary, and the performance-based annual salary shall be implemented in strict compliance with the relevant requirements on deferred payment.

The performance evaluation and remuneration plan for directors and senior management of the Bank, along with the remuneration management policy, shall be reviewed and approved by the nomination and remuneration committee and then be submitted to the Board for review. Matters concerning the remuneration distribution for directors shall be submitted to the shareholders' meeting for approval. The Bank has established an incentive clawback mechanism. If the enterprise leaders make a significant mistake or cause significant losses to the enterprise during their term, the Bank will claw back part or all of their performance-based annual salary and term incentive income paid previously. The Bank strictly implements the deferred payment and clawback rules for performance compensation of key personnel. For employees who have received disciplinary action or other penalties due to violation of regulations or dereliction of duty, their salaries are deducted in accordance with relevant regulations.

Payment linked to sustainability

The Bank has established a performance appraisal mechanism for executive directors and senior management, whose remunerations are directly linked to the results of the appraisal. In accordance with regulatory policy requirements, the Articles of Association and annual operation plans, the performance appraisal attaches great importance to sustainable development and includes quantitative and qualitative sustainability-related indicators. Since the establishment of relevant indicators, the Bank has continued to tighten the link between sustainable development performance and senior executives' remuneration, successfully achieved the goals and tasks of relevant sustainable development indicators, and effectively wielded the role of incentive and constraint of remuneration.



Remuneration of Directors and Senior Management for the Year 2025

(In thousands of RMB)

Name	Allowance	Remuneration paid	Contribution by the employer to compulsory insurances, housing fund, etc.	Total (before tax)	Starting and ending months for receiving remuneration
Zhang Jinliang	–	686.0	248.5	934.5	Whole year
Zhang Yi	–	686.0	248.5	934.5	Whole year
Ji Zhihong	–	617.4	240.6	858.0	Whole year
Xin Xiaodai ²	–	–	–	–	N/A
Liu Fang ²	–	–	–	–	N/A
Li Lu ²	–	–	–	–	N/A
Li Li ²	–	–	–	–	N/A
Dou Hongquan ²	–	–	–	–	N/A
Shi Jian ²	–	–	–	–	N/A
William Coen	410.0	–	–	410.0	Whole year
Leung Kam Chung, Antony	420.0	–	–	420.0	Whole year
Lord Sassoon	390.0	–	–	390.0	Whole year
Lin Zhijun	390.0	–	–	390.0	Whole year
Zhang Weiguo	255.0	–	–	255.0	June – December
Li Jianjiang	–	617.4	240.6	858.0	Whole year
Han Jing	–	463.0	175.7	638.7	April – December
Lei Ming	–	308.7	111.1	419.8	July – December
Tang Shuo	–	51.4	18.5	69.9	December
Sheng Liurong	–	720.4	282.7	1,003.1	Whole year
Resigned directors and senior management					
Tian Bo ²	–	–	–	–	N/A
Xia Yang ²	–	–	–	–	N/A
Graeme Wheeler	220.0	–	–	220.0	January – June
Michel Madelain	220.0	–	–	220.0	January – June
Li Yun	–	154.4	64.9	219.3	January – March
Jin Panshi	–	240.1	98.8	338.9	January – April

1. Remuneration of the Bank's leaders administered by CPC Central Committee has been paid in accordance with the State's remuneration reform policies since 2015.
2. Non-executive directors of the Bank receive their remuneration from the shareholders of the Bank. Apart from this, none of the other directors have received any remuneration from any related parties of the Bank.
3. As the Bank's certain non-executive directors hold positions of directors or senior management in other legal persons or organisations, such legal persons or organisations thus become related parties of the Bank. Apart from this, none of the Bank's directors or senior management received remuneration from the related parties of the Bank.
4. In December 2025, the nomination and remuneration committee under the Board of the Bank reviewed and approved the remuneration distribution and settlement plan for directors and senior management for 2024, and submitted to the Board for consideration and approval. Every director abstained from voting on his or her own remuneration for 2024.
5. During the reporting period, the Bank paid remuneration of directors and senior management amounted to RMB8,579.7 thousand. The total remuneration for certain directors and senior management for 2025 have not yet been finalised in accordance with the regulations of relevant government authorities. The final total remuneration will be disclosed by the Bank separately after it is determined.



Staff Development

We are committed to building a broad development platform for our employees by constantly safeguarding the career development of our employees in terms of remunerations, benefits, training, promotions and other aspects.



Note:

The Bank's Jiangsu Branch held Fun Sports Day.



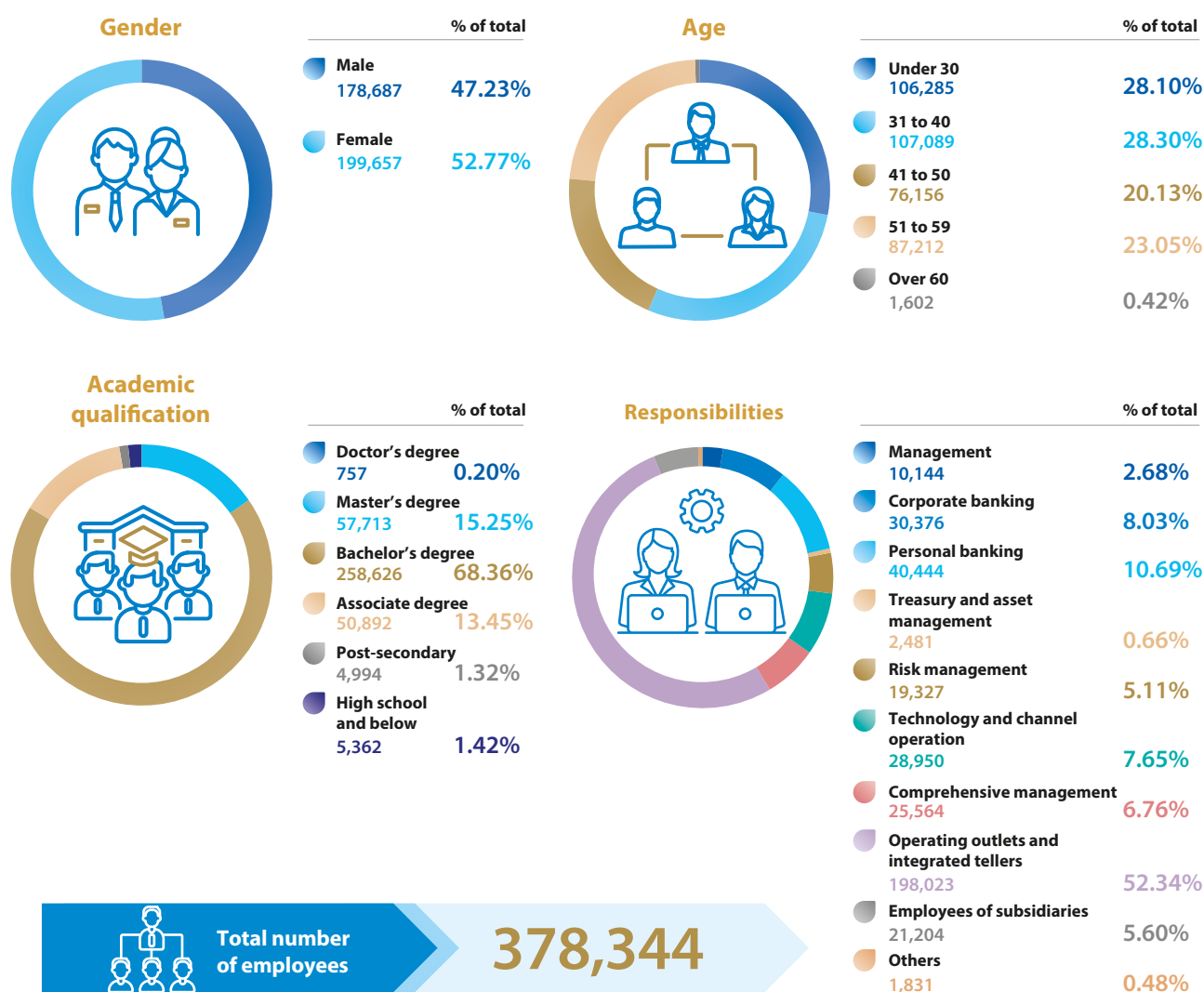
CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

CORPORATE GOVERNANCE

EMPLOYEES

The Group strictly complies with relevant laws and regulations in China and the jurisdictions where it operates, and fully implements a full contractual employment system, safeguarding employees' labour rights, protecting their legitimate rights and interests, and ensuring that employees achieve career development in a fair and just environment. At the end of 2025, the Group had 378,344 employees, an increase of 0.40% over 2024. The number of employees with academic qualifications of bachelor's degree or above was 317,096 or 83.81%. Besides, there were 3,236 workers dispatched from labour leasing companies, a decrease of 4.09% from 2024. In addition, the Group had 134,656 retired employees. The proportion of male and female employees (including senior executives) of the Group was 47.23% and 52.77% respectively.

The compositions of the Group's employees by gender, age, academic qualification and responsibilities are as follows:





The following table sets forth the distribution of the Group's employees by region as at the date indicated.

	31 December 2025		31 December 2024	
	Number of employees	% of total	Number of employees	% of total
Domestic operations of the Bank	355,802	94.05	353,490	93.80
Yangtze River Delta	54,390	14.38	53,970	14.32
Pearl River Delta	45,396	12.00	45,306	12.02
Bohai Rim	59,357	15.69	58,924	15.64
Central	71,519	18.90	71,038	18.85
Western	76,871	20.32	76,125	20.20
Northeastern	32,886	8.69	33,046	8.77
Head office ¹	15,383	4.07	15,081	4.00
Overseas operations of the Bank	1,338	0.35	1,307	0.35
Subsidiaries	21,204	5.60	22,050	5.85
– Domestic	16,684	4.41	17,585	4.67
– Overseas	4,520	1.19	4,465	1.18
Total	378,344	100.00	376,847	100.00

1. Including employees of the head office, credit card centre, CCB learning centre (IICCB) and institutions directly under the head office.

Staff Remuneration Policies

The Bank is committed to maintaining order and harmony in remuneration allocation, and continues to improve the standard of performance and remuneration management to serve the development of the Bank. The Bank made full use of remuneration allocation to motivate and constrain its employees. It established an appraisal and allocation concept encouraging value creation, allocated more salary resources to operating institutions, front office departments, and positions that directly create value, strictly implemented incentive and guarantee policies for frontline employees, and strengthened their income guarantee, to enhance the sense of gain of staff. The Bank strengthened remuneration management of overseas operations and controlled subsidiaries, optimised the remuneration allocation structure, and refined incentive guarantees. It further improved the performance management system and incentive and constraint mechanism to promote the

management level and work efficiency of the Group. The Bank continued to perfect management mechanism for deferred payment and clawback of performance-based remuneration, and strictly implemented deferred payment and clawback rules for performance-based remuneration to senior management members and personnel at key positions. Remuneration for employee subject to disciplinary or other penalties due to violation of rules or breach of duties was deducted in accordance with relevant measures. In 2025, there was no case of clawback of performance-based remuneration for directors and senior management, and the performance-based remuneration of 17 management cadres of the head office and equivalent-level personnel was clawed back, involving an amount of RMB1.99 million.



Staff Development and Training

The Bank continued to improve and refine the training system that covers the entire career development lifecycle for employees. Focusing on the promotion of implementation of the strategic plans of the Bank, empowering high-quality business development, and supporting the development of a professional talent pool, the Bank formulated the annual training plan in a scientific manner, innovated training approaches and methodologies, and carried out classified and tiered training in a targeted way, thereby supporting the development of human capital through high-quality training.

The Bank designed differentiated growth paths and provided end-to-end training support for various employee groups, including young employees, key business personnel, and frontline managers. For young employees, the Bank has established a three-tier progressive development system comprising “onboarding training, continuous development, talent reserve”, supporting the rapid enhancement of competency and smooth role transition. The Bank delivered specialised training programmes for key positions at outlets and developed targeted training schemes for three core roles—operations supervisors, customer relationship managers, and customer service managers—to enhance their ability to better serve the customers and promote the sustainable and healthy development of outlets operations. For frontline managers, such as outlets managers, county-level sub-branch managers, and tier-two branch managers, the Bank has developed adjustable and modular learning products, enabling branches to tailor learning programmes based on their specific needs. The Bank integrated high-quality internal and external training resources and continuously upgraded its online learning platforms to expand the coverage and accessibility of premium training resources at the grassroots level, fostering a culture of lifelong learning and proactive learning among employees.

In 2025, the Group organised 32,260 on-site training sessions with a total enrolment of 1.39 million participants and 16.95 million hours of training. A total of 375 thousand people took part in online training (including learning through online platforms) for 63.99 million hours. The proportion of those who participated in on-site and online training sessions reached 99.1% of all staff members.

Progress of Implementation of Employee Stock Incentive Plan

The Bank implemented the first phase of the employee stock incentive plan in July 2007. For details, please refer to the announcement published by the Bank on 6 July 2007. The Bank had not added new participants or implemented new phase of stock incentive plan ever since. In the future, the Bank will pay close attention to regulatory policies and industry trends and explore innovative incentives as appropriate.

INTERNAL CONTROL

The objective of the internal control of the Bank is to reasonably ensure the compliance of operation and management with laws and regulations, the safety of assets, and the truthfulness and completeness of financial reports and related information, improve operational efficiency and effectiveness, and facilitate the successful implementation of development strategies. The Board is responsible for establishing and improving internal controls, implementing them effectively, evaluating their effectiveness, and supervising the effective operation of internal control system according to the requirements regarding the standardised system of enterprise internal control. Considering that the purpose of the above risk management and internal control system is to manage rather than eliminate the risk of failing to achieve business objectives, the Board can only reasonably but not absolutely guarantee that the relevant rules can prevent any major misrepresentation or loss. The senior management is responsible for organising and leading the daily operation of internal control.

In 2025, the Bank continued to improve the digital monitoring mechanism, and strengthened support for internal control management tools, and leveraged the internal control evaluation system and business compliance platform to enhance the effectiveness of the Bank's internal control management with high-quality and efficient internal control evaluation.

The Board and its audit committee assess the effectiveness of internal control and review the internal control assessment report annually. The assessment conclusion is that, there was no material deficiency in the internal control over financial reporting of the Bank, and no material deficiency was detected in the internal control over non-financial reporting. The Board believed that the Bank conducted effective internal control over financial reporting in all major aspects in compliance with the requirements regarding the standardised system of enterprise internal control and other relevant regulations.

The Bank engaged Ernst & Young Hua Ming LLP as the auditor of internal control. The audit opinion on internal control was in line with the Bank's assessment conclusion on the effectiveness of internal control over financial reporting. The disclosure of material deficiency of internal control over non-financial reporting in the audit report of internal control was in line with the disclosure of the internal control assessment report of the Bank.

For more details, please refer to the internal control assessment report and the audit report on internal control of the Bank published on the websites of SSE, the “HKEXnews” of Hong Kong Exchanges and Clearing Limited, and the Bank.



SHAREHOLDERS' RIGHTS

Right to Convene an Extraordinary Shareholders' Meeting

Any ordinary shareholder (including any preference shareholder with restored voting rights), individually or jointly holding more than 10% of the shares of the Bank, has the right to request the Board in writing to convene an extraordinary shareholders' meeting.

The Board shall reply in writing within ten days after receiving the request. In case the Board approves the holding of the meeting, it shall issue a corresponding meeting notice within five days after the resolution is made. In case the Board refuses to hold the meeting or makes no response, the proposing shareholder may propose to the audit committee of the Board in writing. In case the audit committee of the Board approves the holding of the meeting, it shall issue a corresponding meeting notice within five days after receiving the proposal. In case the audit committee of the Board fails to issue a meeting notice, it shall be deemed to have failed to convene and preside over the extraordinary shareholders' meeting. Ordinary shareholders who, for a continuous period of 90 days or more, individually or jointly hold more than 10% of the shares (including any preference share with restored voting rights) of the Bank may, within four months after the audit committee receives the written proposal, convene and preside over the meeting on their own.

Right to Raise Proposals to the Shareholders' Meeting

Any shareholder, individually or jointly holding more than 1% of the shares of the Bank, has the right to raise proposals to the shareholders' meeting. Proposals to the shareholders' meeting shall be submitted to the convener of such meeting prior to the issuance of the notice of such meeting; after the issuance of the notice, a shareholder with the right to propose has the authority to raise extraordinary proposals. Extraordinary proposals shall be put forth and submitted to the convener of the meeting in writing 15 days prior to the meeting.

Right to Raise Proposals to the Board

Any shareholder, individually or jointly holding more than 10% of the total shares with voting rights issued by the Bank, may raise proposals to the Board.

Right to Raise Enquiries to the Bank

In accordance with the Bank's Articles of Association, shareholders have the right to obtain relevant information of the Bank, including the Articles of Association and financial report.

INVESTOR RELATIONS

The Bank firmly upholds the awareness of returning profits to shareholders and protects the interests of investors, especially minority investors. It operates with integrity in compliance with relevant rules and regulations and maintains prudent and sound operations with a focus on its core business. By fostering and applying new quality productive forces, the Bank has improved its operating capabilities and development quality. On this basis, the Bank further strengthened investor relations management and enhanced the quality and transparency of information disclosure. The Bank has formulated the Management Measures for Market Value, which set out the principles, governance structure and key approaches for market value management. Such measures have been reviewed and approved at the Board meeting of the Bank held on 28 March 2025. The Bank has formulated the *Measures for the Administration of Investor Relations of China Construction Bank Corporation*, which stipulates the scope, approaches, organisation and implementation of investor relations management, and explicitly defines provisions for establishing investor relations management archives and recording the investor relations activities.

Effective Communication with Shareholders

The Board and the management attach great importance to communication with shareholders. In accordance with regulatory requirements of the listing places, the Bank proactively carried out investor relations management by adhering to an investor-centred approach, and continuously established and improved the mechanism for communication and exchange with investors in 2025. The Bank coordinated the use of online and offline methods to organise various investor communication activities as a bridge for close communication with the market. It conveyed to investors, the media and the public the Bank's efforts in implementing the new development philosophy completely, accurately and comprehensively, vigorously serving the real economy, actively responding to risks and challenges, and boosting its intensive high-quality development, so as to fully respond to the concerns of the market by using the language and logic familiar to the capital markets. The Bank successively held annual results presentation, first quarter results teleconference, interim results presentation and third quarter results presentation, promptly conducted roadshows in domestic and overseas major capital markets after the release of the results, actively participated in investor forums organised by domestic and overseas investment banks, proactively received investor research groups and visited institutional shareholders, and engaged in close communication with thousands of fund managers and analysts, reasonably guiding investor expectations and reinforcing a positive image in the capital market. The Bank also maintained adequate communication with shareholders and investors through diversified channels including shareholders' meetings, its websites, stock exchange platforms, investor hotline, and mailbox. After implementation and review of the above measures, the Bank believes that the current shareholder communication policy is adequate and effective.

In 2026, the Bank will continue to deepen communication and exchange with investors, so as to enhance investors' understanding of the Bank and continuously safeguard investors' lawful rights and interests.



CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

CORPORATE GOVERNANCE

Shareholder Enquiries

Any enquiries from shareholders related to shareholding, including transfer of shares, change of address, loss reporting of share certificates and dividend notes, should be sent in writing to the following addresses:

A-share:

China Securities Depository and Clearing Corporation Limited,
Shanghai Branch
No. 188 Yanggaonan Road, Pudong New District, Shanghai
Telephone: 86-4008058058

H-share:

Computershare Hong Kong Investor Services Limited
17M/F, Hopewell Centre, 183 Queen's Road East, Wan Chai,
Hong Kong
Telephone: 852-28628555
Facsimile: 852-28650990

Investor Enquiries

Enquiries from investors to the Board may be directed to:

Board of Directors Office
China Construction Bank Corporation
No. 25, Financial Street, Xicheng District, Beijing, China
Telephone: 86-10-66215533
Facsimile: 86-10-66218888
Email: ir@ccb.com

China Construction Bank (Asia) Corporation Limited
28/F, CCB Tower, 3 Connaught Road Central, Central, Hong Kong
Telephone: 852-39186212

This report is available on the websites of the Bank (www.ccb.cn, www.ccb.com), SSE (www.sse.com.cn), and the "HKEXnews" of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk). If you have any queries on this report, please call our hotline at 86-10-66215533 or 852-39186212. If you have any comments or suggestions on the annual report preparation, please send an email to ir@ccb.com.

IMPLEMENTATION PROGRESS OF THE VALUATION ENHANCEMENT PLAN AND ACTION PLAN FOR QUALITY IMPROVEMENT, EFFICIENCY ENHANCEMENT, AND RETURN MAXIMISATION

The Bank strictly implemented the requirements of the CSRC's *Regulatory Guidelines for Listed Companies No. 10 – Market Value Management* and actively responded to the SSE's *Initiative on Carrying out the Special Action for Quality Improvement, Efficiency Enhancement, and Return Maximisation among SSE-Listed Companies* by formulating and implementing the *Valuation Enhancement Plan and Action Plan for Quality Improvement, Efficiency Enhancement, and Return Maximisation of CCB*. Since the implementation of the Plan, the Bank has resolutely pressed ahead with intensive high-quality development, comprehensively enhanced its value creation capabilities, persevered in rewarding investors with stable dividends, reinforced information disclosure and investor relations management, and communicated its sound investment value. The specific implementation progress is as follows:

In 2025, the Bank resolutely implemented the decisions and plans of the CPC Central Committee, the State Council, and regulatory requirements, forging ahead and striving diligently. It achieved steady growth in operating performance, effectively served the real economy, constantly intensified its risk and compliance management, and continued to cement the foundation for business development. Assets and liabilities grew steadily, asset quality met management requirements, profitability was in line with expectations, and key operating indicators were well-balanced. For details on the Bank's operations, please refer to "Management Discussion and Analysis" in this report.

The Bank has always given great priority to investor returns. Since its listing, the Bank has distributed cumulative dividends exceeding RMB1.3 trillion; annual dividends for both 2023 and 2024 exceeded RMB100 billion, with a cash dividend payout ratio consistently maintaining at a high level of 30%. The Bank introduced interim dividends for the first time in 2024. It has completed the distribution of 2025 interim dividends, offering H-share shareholders the option to receive dividends in RMB for the first time. For details on 2025 final dividends, please refer to the "Report of the Board of Directors – Profit and Dividends" in this report.

The Bank strictly fulfilled its information disclosure obligations, disclosing significant matters truthfully, accurately, completely, and promptly. It constantly bolstered the foundational system for information disclosure, improved the sustainable information disclosure framework, and further enhanced voluntary disclosures, to effectively improve the quality and efficiency of its information disclosure. The Bank kept consolidating its investor relations management and strengthened multi-level, multi-channel communications with investors, comprehensively demonstrating its achievements in intensive high-quality development and maintaining its positive image in the capital market.



OTHER CORPORATE GOVERNANCE INFORMATION

Corporate Culture

The Bank adheres to the principle of honesty and trustworthiness, pursuing profit while maintaining high ethical standards, maintaining robustness and prudence, upholding integrity and innovation, and operating in compliance with laws and regulations. It promotes the construction of special cultures such as people-oriented development, service, risk, compliance, innovation, green and low-carbon transformation, integrity and consumer protection. It uses corporate culture as value guidance, enhances cohesion of all employees of the Bank, promotes high-quality development of finance and contributes to construction of a "Financial Power".

Vision

Build a world class banking group with top value creation capability

Missions

Provide better services to our customers, create higher value to our shareholders, build up broader career path for our associates, and assume full social responsibilities as a corporate citizen

Core Values

Integrity, impartiality, prudence, and creation

Philosophy

Business concept: Market-oriented, customer-centred

Service concept: Customer first, detail-focused

Compliance concept: Proactive compliance by all employees, and value creation through compliance

Risk concept: Steady, prudent, comprehensive, and proactive

Innovation concept: Encouraging, open, inclusive, and prudent

Talent concept: Respect talents, make a good use of talents, and retain talents

Style of Work

Diligent, disciplined, truthful, and practical

Information Disclosure

During the reporting period, the Bank strictly complied with the laws, regulations and regulatory requirements relating to information disclosure, actively fulfilled its information disclosure obligations, and ensured the truthfulness, accuracy, completeness and timeliness of the information disclosure. The Bank strengthened the building of information disclosure systems and mechanisms by revising the provisions related to information disclosure in the Procedural Rules for the Shareholders' Meeting and the Procedural Rules for the Board of Directors, initiated the integration of regulations related to information disclosure, consolidating the compliance foundation for information disclosure. The Bank also strove to enhance the quality of information disclosure, strengthened voluntary information disclosures, actively responded to market concerns, and comprehensively showcased the achievements of intensive high-quality development.

The Bank strictly complied with the laws, regulations and regulatory requirements relating to insider information management. It timely monitored and identified insider information, strictly implemented the confidentiality requirements regarding insider information, standardised insider information transmission process, strictly controlled the scope of insiders, ensured proper registration of insiders, and prepared and disclosed related information in accordance with laws and regulations.

Company Secretaries and Training

Mr. Bo Yingen and Mr. Chiu Ming King serve as joint company secretaries of the Bank. Mr. Bo Yingen currently serves as general manager of the board of directors office of the Bank. During the reporting period, Mr. Bo Yingen and Mr. Chiu Ming King took part in related professional trainings for no less than 15 hours in accordance with the requirements of the Listing Rules of Hong Kong Stock Exchange.

The Bank has established efficient and smooth communication channels with Mr. Chiu Ming King and his company secretary team, and has formed a regular collaborative working mechanism. The relevant measures include but are not limited to, the establishment of multi-channel communication mechanism, convening regular meetings, and the advance planning and deployment of work arrangements. Mr. Chiu Ming King has undertaken to devote sufficient time and attention personally to the Bank's company secretarial matters and to perform the necessary personal roles, duties and responsibilities required under the applicable rules governing company secretarial services to the Bank. The Bank also continuously monitors the effectiveness of services of Mr. Chiu Ming King through regular evaluations of the performance of Mr. Chiu Ming King and his company secretary team (including time commitment). As at the disclosure date of this report, the number of appointments of Mr. Chiu Ming King as "named" company secretaries in listed companies has complied with the recommended best guidelines set out in the *Company Secretarial Appointment Guidelines (2026 version)* published by The Hong Kong Chartered Governance Institute.

Amendments to the Articles of Association

On 27 June 2025, the 2024 annual general meeting of the Bank considered and approved the *Resolution on Amendments to the Articles of Association of China Construction Bank Corporation*. On 23 September 2025, the revised Articles of Association were approved by the NFRA and took effect. In accordance with the provisions of the Articles of Association, the Bank has cancelled the Board of Supervisors since 23 September 2025. The audit committee of the Board assumed the functions and powers of the Board of Supervisors according to the law.

In December 2025, the change in registered capital of the Bank was approved by the NFRA. The Bank has revised the Article 18 and Article 19 of the Articles of Association in accordance with relevant requirements of the approval.

Auditors' Remuneration and Auditor Related Matters

For details on the auditors' remuneration and auditor related matters of the Bank, please refer to "Major Issues – Auditors".



Green Finance

Adhering to the vision of “becoming a world-leading bank for sustainable development”, we incorporate the green concept into our operation management, strategic development and corporate culture.



Note:

The Bank's Ningbo Branch provides credit support for the Ecological-oriented Development (EOD) project in the Siming Mountain area.



CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY
ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

The Bank upholds the responsibilities as a leading bank, and actively embraces ESG principles. Its performance in terms of ESG has earned high external recognition, with its MSCI ESG rating standing at AAA, placing it at the forefront of global large commercial banks, and the foundation for its sustainable development has been further strengthened. For details on the Bank's environmental and corporate social responsibilities, please refer to the *2025 Sustainability Report*, which is disclosed by the Bank on the same day as this report.

GREEN FINANCE

For details of green finance, please refer to "Management Discussion and Analysis – Business Review" in this report. For more information on governance, business strategies, risk management and work effectiveness, please refer to the "Intensifying Efforts in Green Finance and Innovating a Sustainable Future" section of the *2025 Sustainability Report*.

GREEN OPERATION

Deeply committed to the concept of green development, the Bank comprehensively strengthened its green operation management system. It systematically advanced initiatives including green office, green procurement, and construction of green outlets, built green data centres, and upgraded green service facilities, striving to establish a modern banking operation model that is resource-efficient and environmentally friendly.

The Bank advocated green office practices. It actively strengthened green operation management, enhanced employees' environmental awareness, adopted energy conservation and emission reduction measures, optimised its carbon emission management system, enhanced its technological capability for carbon management, and promoted green and low-carbon construction. It actively advanced carbon neutrality pilot projects, achieving carbon neutrality for 75 office buildings through technological energy conservation, management-based energy savings, the use of clean energy, and carbon offsets, and obtained certification from authoritative institutions.

The Bank promoted green procurement. It prioritised the purchase of goods with green credentials provided that the demands are met. Among goods with such credentials, it gave preference to suppliers with more green credentials and higher-degree green material. The Bank completed the green electricity procurement for its head office and achieved bank-wide reduction target for copy paper purchasing. It promoted paperless, automated, and digitalised procurement across the group, and completed the group-wide IT integration of its Ibuy System to enhance the quality and efficiency of green procurement.

The Bank promoted the construction of green outlets. It focused on building green outlets that feature green and low-carbon transition, environmental protection and energy conservation, human touch and intelligent operation. By the end of 2025, the Bank had cumulatively opened 1,881 green outlets. In 2025, the printing costs on vouchers, ledgers, and reports dropped by 48.78% from 2024.

The Bank promoted the green transformation of its data centres. It built green and resource-efficient data centre infrastructure by implementing key initiatives such as improving server room utilisation, optimising airflow management, and enhancing computing power capabilities. It improved the operating efficiency of data centres through empowering operation and maintenance management with new technologies, revitalising existing resources, and implementing refined management over network transmission capacity. In 2025, these measures reduced new investment by approximately RMB791 million.



CONSOLIDATING AND EXPANDING THE ACHIEVEMENTS IN POVERTY ELIMINATION WITH TARGETED ASSISTANCE AND ADVANCING FINANCIAL SERVICES FOR RURAL REVITALISATION

The Bank strengthened financial assistance and credit support to areas lifted out of poverty and key counties for national rural revitalisation. It continued to boost credit supply in key areas such as food security, rural industries and rural construction. It diligently implemented targeted assistance programmes in Ankang, Shaanxi Province, contributing CCB's strengths to Ankang's efforts in consolidating and expanding the achievements in poverty elimination and achieving rural revitalisation. At the end of 2025, the loans to areas lifted out of poverty were RMB1.33 trillion, an increase of RMB147,450 million or 12.50% over 2024. Loans to key counties for national rural revitalisation were RMB170,553 million, an increase of RMB16,430 million or 10.66% over 2024.

Please refer to "Management Discussion and Analysis – Business Review – Personal Finance Business" in this report for details of financial services for rural revitalisation.

PROTECTION OF CONSUMERS' RIGHTS AND INTERESTS

Adhering to a people-centred value orientation and strictly following regulatory requirements, the Bank strove to build a "domestic leading, internationally renowned" industry benchmark for the protection of financial consumers' rights and interests. It comprehensively built a "proactive, standardised and intelligent" consumer protection management system encompassing "all levels, all staff members, and the whole process", and advanced the further upgrading of the management system, so as to effectively safeguard the legitimate rights and interests of consumers.

The Bank pressed ahead with the integration of group-wide consumer protection management. It has established a consumer protection governance framework with clearly defined responsibilities, and set up specialised committees for consumer protection at both the Board of Directors and senior management levels, responsible for the supervision, guidance, and planning of related matters. Such committees continued to strengthen the overall planning and guidance for consumer protection practices, enhanced the analysis of policy trends and learning, and conducted specialised governance focusing on key areas. The Bank focused on building a "comprehensive consumer protection" framework. It embedded consumer rights and interests protection into its business operations and management, incorporated consumer protection into its overall development plans, and integrated consumer protection into its corporate culture. It refined the core policy system for consumer protection, consolidated data from multiple consumer protection channels, and fully leveraged the role of performance evaluation in incentives and constraints to solidify the foundation of "comprehensive consumer protection" management. The Bank reinforced mechanisms, systems, and evaluation management for consumer protection at subsidiaries, with acceptance reviews of consumer protection conducted for each subsidiary. It pressed ahead with the integration of consumer protection with business processes, and has established a consumer protection review system covering both corporate customers and personal customers. The Bank intensified its management of marketing conduct throughout the process, and fully implemented requirements for suitability management, driving the review of business policies, systems, and agreement templates.

The Bank enhanced the refined management of complaints. It continued to reinforce accountability in complaint handling, strictly implementing the "first-point-of-contact accountability system". It also established a categorised and tiered complaint management system, and improved its differentiated response and resolution procedures to ensure that issues raised by customers are effectively solved at the earliest opportunity on the spot. It updated its complaint guide on multiple channels, including its official website, mobile app, and WeChat official account, to enhance customer experience. It also expanded customer service scenarios by solving offline complaints online to provide convenience to customers. Additionally, the Bank carried out targeted actions on complaints related to key business areas. Through a combination of regular root cause analysis and remedial actions and specialised issue management, the Bank enhanced its efforts in locating the sources of problems reflected in customer complaints, facilitating the resolution of issues at their root. In 2025, the Bank received a total of 167,041 consumer complaints, the complaint incidence rate (number of



CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY
ENVIRONMENTAL AND SOCIAL RESPONSIBILITY



● The Bank's Guangxi Branch visited an elementary school to give the students an introductory lesson on financial knowledge.

complaints per million customers) was 213, and the average number of complaints per banking outlet was 12. The main categories of complaints were related to credit cards (50,934 cases, accounting for 30.49%), and personal loans (46,189 cases, accounting for 27.65%). The complaints were mainly distributed in Bohai Rim (36,279 cases, accounting for 21.72%) and Central China (34,639 cases, accounting for 20.74%).

The Bank deeply carried out financial education and publicity activities. During events such as the "3·15 Consumer Rights Protection Publicity Week" in March 2025 and the "Financial Education Publicity Week" in September 2025, it organised a total of 147,000 activities, reaching 1.51 billion consumers. It tailored its financial education and publicity activities around the needs of key customer groups including the elderly, teenagers, new citizens, ethnic minorities, the disabled, and rural customers. It leveraged digital tools to bring financial education into various scenarios of consumers' lives and boost business development. It integrated consumer rights protection training into business operations, ensuring full coverage for middle and senior management, dedicated consumer protection staff, front-line staff, and new recruits. In 2025, the Bank conducted 22.2 thousand sessions of consumer protection-related training at various levels, with 2,131 thousand participants.

The Bank strengthened its consumer protection reviews. For customer-oriented products and services, it conducted consumer protection reviews across all stages of the product lifecycle, including design and development, pricing management, agreement formulation, marketing, onboarding of agency sales partners, eligibility management of agency products, and promotion and sales of such products, so as to effectively identify risks and potential hazards that may infringe upon consumer rights and to protect their legitimate rights and interests. In 2025, the Bank completed a total of 514.9 thousand consumer protection reviews, an increase of 51.35% over 2024.

For more details, please refer to the "Consumer Rights Protection" section of the 2025 Sustainability Report.



PUBLIC WELFARE AND CHARITY

The Group adheres to the original mission of public welfare and strives to provide timely assistance where it is most needed. In 2025, the Group's total donations amounted to RMB136 million, focusing on consolidating achievements in poverty elimination, promoting rural revitalisation, supporting long-term public welfare projects, responding to emergency disaster relief, and fostering innovation in public welfare activities. In this amount, the Bank provided an emergency donation of HKD10 million towards the fire relief efforts in Tai Po, Hong Kong, and contributed a total of over RMB2 million to assist with flood and earthquake disasters in regions such as Beijing, Xizang, Taiwan and Malaysia.

Implementation of major public welfare programmes:

Programme	Cooperative institution	Duration	Progress at the end of 2025
Building the Future – CCB Sponsorship Programme for the Development of Poverty-stricken High School Students	China Education Development Foundation	2007 – present	Supported 107.3 thousand high school students with accumulative donation of RMB190 million in education loans and scholarships.
CCB Sponsorship Programme of “Healthy Mother Express”	China Women’s Development Foundation	2011 – present	Donated a total of RMB101 million to purchase 654 vehicles under the programme in underdeveloped counties and towns in 25 provinces and autonomous regions, including Xinjiang, Xizang, Gansu and Qinghai.
CCB Hope Primary Schools	China Youth Development Foundation	1996 – present	Donated a total of RMB31.06 million to build 50 Hope Primary Schools, construct 179 classrooms for music, art, physical education, science and technology, and moral education, train over 800 teachers, and organise 320 teachers and students to participate in summer camps.
San Jiang Yuan Ecological Conservation Project	San Jiang Yuan Ecological Protection Foundation	2022 – present	Donated a total of RMB7 million to carry out the construction of exemplary ecological villages in San Jiang Yuan National Park, promoting the ecological values of harmonious coexistence of humans and nature.
“Do Good, Be Wise” Student Caring Action	CCB Youth Volunteers Association and local committees of Communist Youth League of China where the branches are located	2016 – present	Donated a total of RMB17.06 million by providing financial and material support to over 50,800 teachers and students in underdeveloped areas, and organised more than 1,900 teachers and students to participate in summer (winter) camp activities.
“Donation of Bonus Points to Make Dream Come True · Micro-Charity”	China Youth Development Foundation, and China Literature and Art Foundation	2012 – present	Donated a total of RMB12.97 million to build 164 “Happy Music Classrooms”, train music and art teachers in rural areas, and build the “Home of Youth” for Chinese Young Volunteers Action Guidance Centre.
“Workers’ Station (Harbour)” Public Welfare Project	China Worker Development Foundation	2021 – present	Launched the “Workers’ Station (Harbour)” bonus points donation public welfare platform, enabling people from all walks of life to contribute to charitable causes and demonstrate their support by donating bonus points accumulated through Long Card credit cards.



- The CCB Hope Primary School project, supported by a special fund established through donations from the employees throughout the Bank, has to date funded the construction of 50 Hope Primary Schools across 18 provinces, regions and municipalities including Shaanxi, Qinghai and Xinjiang.



MAJOR ISSUES

PERFORMANCE OF UNDERTAKINGS

In September 2004, Huijin made a commitment of “non-competition within the industry”, i.e., as long as Huijin continues to hold any shares of the Bank, or is deemed as a controlling shareholder or a related party of the controlling shareholder of the Bank in accordance with the laws or listing rules of the PRC or the Bank’s listing places, Huijin would not engage in or participate in any competing commercial banking businesses, including but not limited to granting loans, taking deposits and providing settlement, fund custody, bank card and currency exchange services. However, Huijin may still engage in or participate in competing businesses through investing in other commercial banks. Accordingly, Huijin made the commitment that it would: (1) fairly treat its investments in commercial banks, and would not abuse its shareholder position in the Bank or the information it obtains through its shareholder position in the Bank to make decisions detrimental to the Bank but beneficial to other commercial banks; and (2) exercise its shareholder’s rights for the best interests of the Bank.

On 6 April 2016, in accordance with relevant rules of the CSRC, in order to ensure the effective fulfilment of the measures to make up for the immediate return diluted by the issuance of preference shares of the Bank, Huijin undertook not to intervene with the operation and management of the Bank and not to misappropriate the interests of the Bank.

On 30 March 2025, in accordance with relevant rules of the CSRC, in order to ensure the effective fulfilment of the measures to make up for the immediate return diluted by the issuance of A-shares to specific target by the Bank, Huijin undertook not to intervene with the operation and management of the Bank and not to misappropriate the interests of the Bank.

On 30 March 2025, based on the share subscription agreement with conditions the Bank signed with the MOF, the MOF warranted that: The A-shares issued to specific target and subscribed by the MOF shall be subject to a lock-up period of five years from the date of acquisition of the equity. If the lockup period for shares subscribed by the MOF and the transfer of

shares upon expiration are otherwise regulated by the relevant regulatory authorities, such provisions shall prevail. During the lock-up period, the shares derived from the shares subscribed by the MOF under the issuance due to activities by the Bank, such as bonus issue and capitalisation of capital reserve, shall also comply with the aforementioned arrangement for lockup period. Upon expiration of the lock-up period, the transfer of the shares subscribed by the MOF will be governed by the *Company Law* and other relevant laws, regulations, and relevant regulations of the NFRA, the CSRC, and the SSE.

As of 31 December 2025, Huijin and the MOF had not breached any of the above undertakings.

MISAPPROPRIATION OF FUNDS FOR NON-OPERATIONAL PURPOSE

During the reporting period, there was no misappropriation of the Bank’s funds by the controlling shareholder or other related parties for non-operational purpose.

ILLEGAL GUARANTEES

During the reporting period, the Bank did not enter into any guarantee contract in violation of relevant regulations.

AUDITORS

Ernst & Young Hua Ming LLP was appointed as the domestic auditor of the Bank and its domestic subsidiaries for the year 2025 and Ernst & Young was appointed as the international auditor of the Bank and most of its overseas subsidiaries for the year 2025. Ernst & Young Hua Ming LLP was appointed as the auditor of internal control of the Bank for the year 2025. Ernst & Young Hua Ming LLP and Ernst & Young have provided audit service for the Bank for seven years in total. Mr. Jiang Changzheng of Ernst & Young Hua Ming LLP has been partner and signatory CPA of the Bank’s A-share audit engagement since 2022, and Ms. Gu Jun and Ms. Li Linlin have been signatory CPAs of the Bank’s A-share audit engagement since 2023. Mr. Leung Shing Kit of Ernst & Young has been partner and signatory accountant of the Bank’s H-share audit engagement since 2024.

The fees for the audit of financial statements (including the audit of internal control) and other services paid to Ernst & Young Hua Ming LLP, Ernst & Young and other international member firms of Ernst & Young by the Group are set out as follows.

(In millions of RMB)	2025	2024	2023
Fees for the audit of financial statements	140.96	140.96	140.96
Other services fees ¹	12.88	6.02	10.72

1. Other services include professional services provided for bond issuance and verification of tax declaration.



MATERIAL LITIGATIONS AND ARBITRATIONS

During the reporting period, the Bank was not subject to any material litigation or arbitration. For overall information of outstanding litigations and disputes, please refer to Note “Commitments and contingent liabilities – Outstanding litigations and disputes” to the financial statements.

PENALTIES

During the reporting period, the Bank was not subject to any investigations in accordance with laws for any suspected crimes. Neither the controlling shareholder, actual controller, directors, nor the senior executives of the Bank were subject to coercive measures in accordance with laws for any suspected crimes, or were detained by disciplinary inspection and supervision authorities for suspected serious violations of disciplines and laws or for duty-related crimes and were unable to fulfil duties due to such reasons. Neither the Bank, the controlling shareholder, actual controller, directors, nor the senior executives of the Bank were subject to criminal penalties, investigations or administrative penalties by the CSRC for suspected violations of laws and regulations, material administrative punishments by other competent authorities, or administrative supervision measures by the CSRC or disciplinary actions by the stock exchanges. Neither the directors, nor the senior executives of the Bank were subject to coercive measures by other relevant authorities for suspected violations of laws and regulations and were unable to fulfil duties due to such reason.

INTEGRITY

During the reporting period, the Bank and its controlling shareholder had no unperformed obligations rendered by valid legal documents of the courts, or significant outstanding matured debts.

MATERIAL RELATED PARTY TRANSACTIONS

During the reporting period, the Bank did not engage in any material related party transactions.

MATERIAL CONTRACTS AND THEIR PERFORMANCE

During the reporting period, the Bank did not enter into any material arrangement for custody, contracting or leasing of other companies' assets, or allow its assets to be subject to such arrangements by other companies.

The guarantee business is an off-balance sheet service in the ordinary course of the Bank's business. The Bank did not have any material guarantee that is required to be disclosed except for the financial guarantee services within its business scope as approved by the regulators.

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

USE OF PROCEEDS

In June 2025, the Bank completed the issuance of A-shares to specific target at an issuance price of RMB9.06 per share, with total proceeds of RMB105.0 billion, or net proceeds of RMB104,969 million after deducting issuance-related costs (excluding value-added tax).

At the end of the reporting period, the proceeds from the issuance have been fully utilised. In strict accordance with the use of proceeds as disclosed in the prospectus, all proceeds raised under the issuance were used to replenish Common Equity Tier 1 capital of the Bank, thereby supporting the Bank's sustainable and sound business development. The actual use of proceeds was consistent with the committed use, and there were no instances of change in the use of proceeds, replacement of self-raised funds previously invested in the intended fundraising projects, cash management using idle proceeds, or misappropriation of proceeds.

Ernst & Young Hua Ming LLP has performed an assurance engagement on the Bank's deposit, management, and actual use of raised funds in 2025, and concluded that the Bank's special report on the deposit, management, and actual use of its raised funds in 2025 had, in all material respects, been prepared in accordance with the *Administrative Rules of Listed Companies' Raised Fund*, the *Guidelines No. 1 of Shanghai Stock Exchange for Self-Regulation of Listed Companies — Standardised Operation*, and the related format guidelines, and presented fairly the Bank's deposit, management, and actual use of its raised funds in 2025.

Other proceeds raised by the Bank were used in accordance with the purpose disclosed in the prospectus and related documents, namely, to supplement the capital of the Bank so as to support future business development. The use of proceeds was consistent with the Bank's commitment.



MAJOR ISSUES

MAJOR EVENTS

In June 2025, the Bank issued 11,589,403,973 A-shares to the MOF, with total proceeds of RMB105.0 billion, or net proceeds of RMB104,969 million after deducting issuance-related costs. For further details, please refer to the announcement published by the Bank on 25 June 2025.

With the approval of the relevant regulatory authorities and upon completion of the required filing and registration procedures, in December 2025, CCB Financial Leasing, the wholly-owned subsidiary of the Bank, completed the capital increase of RMB3.0 billion to its wholly-owned subsidiary, CCB Shipping and Aviation Leasing Corporation Limited, with its own funds.

For other major events during the reporting period, please refer to announcements disclosed by the Bank on the websites of SSE, the “HKEXnews” of Hong Kong Exchanges and Clearing Limited and the Bank.

OTHER SHAREHOLDING OR SHARE PARTICIPATIONS

In July 2025, the Bank completed the first payment of the second contribution of RMB1,183 million to China Integrated Circuit Industry Investment Fund Phase III Co., Ltd.; In December 2025, the Bank completed the second payment of the second contribution of RMB1,398 million to China Integrated Circuit Industry Investment Fund Phase III Co., Ltd, bringing the cumulative actual payment to RMB3,655 million.

In June 2025, the Bank completed the payment of the third contribution of RMB2.0 billion to National Green Development Fund Co., Ltd., bringing the cumulative actual payment to RMB4.8 billion.



CHANGES IN SHARE CAPITAL AND PARTICULARS OF SHAREHOLDERS

CHANGES IN ORDINARY SHARES

Unit: share

	1 January 2025		Changes during the reporting period +/(-)					31 December 2025	
	Number of shares	Percentage (%)	Issuance of additional shares	Bonus issue	Shares converted from capital reserve	Others	Subtotal	Number of shares	Percentage (%)
I. Shares subject to selling restrictions									
1. Shares held by the State ¹	-	-	+11,589,403,973	-	-	-	+11,589,403,973	11,589,403,973	4.43
II. Shares not subject to selling restrictions									
1. RMB ordinary shares	9,593,657,606	3.84	-	-	-	-	-	9,593,657,606	3.67
2. Overseas listed foreign investment shares	95,231,418,499	38.09	-	-	-	-	-	95,231,418,499	36.40
3. Others ²	145,185,901,381	58.07	-	-	-	-	-	145,185,901,381	55.50
III. Total number of shares	250,010,977,486	100.00	+11,589,403,973	-	-	-	+11,589,403,973	261,600,381,459	100.00

1. The lock-up period for the A-shares issued to the MOF by the Bank is five years from the date of equity acquisition on 24 June 2025.
2. H-shares of the Bank not subject to selling restrictions held by the promoters of the Bank, i.e., Huijin, State Grid, Yangtze Power and Baowu Steel Group.

SECURITIES ISSUANCE AND LISTING

To continuously support high-quality development of the real economy, further strengthen risk mitigation capacity, and achieve TLAC compliance in an orderly manner, the Bank completed the issuance of 11,589,403,973 A-shares to specific target at a par value of RMB1.00 per share and an issuance price of RMB9.06 per share (the closing price of the Bank's A-shares on the most recent trading day, i.e., 28 March 2025, prior to the signing of the subscription agreement being RMB8.52 per share) in June 2025 in accordance with the *Approval for the Registration of the Issuance of Shares to Specific Target by China Construction Bank Corporation* (Zheng Jian Xu Ke No.[2025] 1305) issued by the CSRC in June 2025. The issuance target was the MOF, with total proceeds raised amounting to RMB105,000,000,000. After deducting issuance-related costs, the actual net proceeds amounted to RMB104,968,973,850.49. All proceeds raised under the issuance were used to replenish Common Equity Tier 1 capital of the Bank in strict accordance with the use of proceeds as disclosed in the prospectus. Following the aforementioned changes in share capital, total share capital and net assets of the Bank increased, resulting in a certain dilutive effect on earnings per share and net assets per share. On 24 June 2025, the registration, custody and lock-up procedures in relation to the newly issued shares under the issuance were completed at the Shanghai Branch of China Securities Depository and Clearing Corporation Limited. Please refer to announcements published by the Bank on 30 March 2025, 3 April 2025, 22 April 2025, 30 May 2025, 20 June 2025 and 25 June 2025 for details on the issuance of A-shares to specific target. During the reporting period, the Bank did not issue any convertible bonds or preference shares.

According to the resolution of the Bank's first extraordinary general meeting of 2024 and upon approvals of the NFRA and the PBOC, in March 2025, the Bank issued fixed-rate Tier 2 capital bonds of RMB40.0 billion with a term of ten years in the domestic market, and the Bank has a conditional right to redeem the bonds at the end of the fifth year; the coupon rate is 2.07%; the proceeds raised are used to replenish the Bank's Tier 2 capital. In May 2025, the Bank issued undated additional capital bonds of RMB40.0 billion in the domestic market, and the Bank has a conditional right to redeem the bonds on every interest payment date from the fifth year onwards; the coupon rate is 1.99% during the first five years, and will be reset every five years; the proceeds raised are used to replenish the Bank's additional Tier 1 capital. In July 2025, the Bank issued fixed-rate Tier 2 capital bonds of RMB40.0 billion with a term of ten years and RMB5.0 billion with a term of 15 years in the domestic market, and the Bank has a conditional right to redeem the bonds at the end of the fifth year and the tenth year respectively; the coupon rates are 1.94% and 2.13% respectively; the proceeds raised are used to replenish the Bank's Tier 2 capital. In December 2025, the Bank issued fixed-rate Tier 2 capital bonds of RMB40.0 billion with a term of ten years in the domestic market, and the Bank has a conditional right to redeem the bonds at the end of the fifth year; the coupon rate is 2.24%; the proceeds raised are used to replenish the Bank's Tier 2 capital.



CHANGES IN SHARE CAPITAL AND PARTICULARS OF SHAREHOLDERS

In June 2025, the Group redeemed Tier 2 capital bonds of US\$2.0 billion issued overseas in June 2020. In September 2025, the Bank redeemed Tier 2 capital bonds of RMB65.0 billion issued in the domestic market in September 2020.

For details of the issuance of other debt securities, please refer to Note “Debt securities issued” to the financial statements.

ORDINARY SHAREHOLDERS

As at 31 December 2025, the Bank had a total of 308,385 ordinary shareholders, of whom 35,535 were holders of H-shares and 272,850 were holders of A-shares. As at 28 February 2026, the Bank had 334,233 ordinary shareholders, of whom 35,296 were holders of H-shares and 298,937 were holders of A-shares.

Unit: share

Total number of ordinary shareholders **308,385 (Total number of registered holders of A-shares and H-shares as at 31 December 2025)**

Particulars of shareholding of top ten ordinary shareholders (excluding shares on loan through refinancing)

Name of ordinary shareholder	Nature of shareholder	Shareholding percentage (%)	Changes during the reporting period	Total number of shares held	Number of shares subject to selling restrictions held
Huijin	State	54.51	–	142,590,494,651 (H-shares)	–
		0.10	–	267,392,944 (A-shares)	–
HKSCC Nominees Limited ¹	Foreign legal person	32.86	-7,842,891,656	85,952,146,782 (H-shares)	–
MOF ²	State	4.43	11,589,403,973	11,589,403,973 (A-shares)	11,589,403,973
China Great Wall AMC	State-owned legal person	3.01	7,865,000,000	7,865,000,000 (H-shares)	–
China Securities Finance Corporation Limited	State-owned legal person	0.84	–	2,189,259,672 (A-shares)	–
State Grid ³	State-owned legal person	0.62	–	1,611,413,730 (H-shares)	–
Reca Investment Limited	Foreign legal person	0.33	–	856,000,000 (H-shares)	–
Yangtze Power	State-owned legal person	0.25	–	648,993,000 (H-shares)	–
Hong Kong Securities Clearing Company Ltd. ⁴	Foreign legal person	0.24	-66,587,132	622,683,762 (A-shares)	–
Central Huijin Asset Management Ltd.	State-owned legal person	0.19	–	496,639,800 (A-shares)	–

- The number of shares held by HKSCC Nominees Limited at the end of the period represents the total number of H-shares of the Bank it held as a nominee on behalf of all institutional and individual investors registered with it as at 31 December 2025. As at 31 December 2025, State Grid, Yangtze Power, and Baowu Steel Group held 1,611,413,730 H-shares, 648,993,000 H-shares and 335,000,000 H-shares of the Bank respectively, China Great Wall AMC actually held 7,865,000,000 H-shares of the Bank, all of which were held under the name of HKSCC Nominees Limited. Save the aforesaid H-shares of the Bank, 85,952,146,782 H-shares of the Bank were held under the name of HKSCC Nominees Limited, which included the H-shares of the Bank held by Ping An Asset Management Co., Ltd. as an investment manager on behalf of several customers, as well as those held by Ping An Insurance (Group) Company of China, Ltd. through its controlled enterprises.
- The Bank attracted strategic investment from the MOF through issuance of A-shares to specific target. As at 31 December 2025, the MOF held 11,589,403,973 A-shares of the Bank. The lock-up period is five years from the date of equity acquisition as at 24 June 2025.
- As at 31 December 2025, the holdings of H-shares of the Bank by State Grid through its subsidiaries were as follows: State Grid International Development Co., Ltd. held 296,131,000 shares, and State Grid International Development Limited held 1,315,282,730 shares.
- The number of shares held by Hong Kong Securities Clearing Company Ltd. at the end of the period represents the total number of A-shares of the Bank (shares of northbound trading) it held as a nominee designated by and on behalf of Hong Kong and overseas investors as at 31 December 2025.
- Huijin holds 100% equity interest in Central Huijin Asset Management Ltd., 66.70% equity interest in China Securities Finance Corporation Limited and 94.34% equity interest in China Great Wall AMC. HKSCC Nominees Limited is a wholly-owned subsidiary of Hong Kong Securities Clearing Company Ltd. Apart from the aforesaid equity interest relationships, the Bank is not aware of any connected relation or concerted action among the aforesaid shareholders. Huijin exercises the contributor's rights and obligations in key state-owned financial institutions on behalf of the State, and it does not engage in any other commercial business activities, nor does it interfere with daily operations of the key state-owned financial institutions of which it is the controlling shareholder.
- As at 31 December 2025, none of the top ten shareholders were involved in margin trading, short selling or refinancing of funds or securities, except that the status of HKSCC Nominees Limited was unknown.
- None of the aforesaid shares were pledged, marked or frozen except that the status of the shares held under the name of HKSCC Nominees Limited was unknown.



CHANGES IN SHARE CAPITAL AND PARTICULARS OF SHAREHOLDERS

Unit: share

Particulars of shareholding of top ten ordinary shareholders not subject to selling restrictions (excluding shares on loan through refinancing)	Number of ordinary shares not subject to selling restrictions held
Huijin	142,590,494,651 (H-shares) 267,392,944 (A-shares)
HKSCC Nominees Limited	85,952,146,782 (H-shares)
China Great Wall AMC	7,865,000,000 (H-shares)
China Securities Finance Corporation Limited	2,189,259,672 (A-shares)
State Grid	1,611,413,730 (H-shares)
Reca Investment Limited	856,000,000 (H-shares)
Yangtze Power	648,993,000 (H-shares)
Hong Kong Securities Clearing Company Ltd.	622,683,762 (A-shares)
Central Huijin Asset Management Ltd	496,639,800 (A-shares)
Baowu Steel Group	335,000,000 (H-shares)

- Huijin holds 100% equity interest in Central Huijin Asset Management Ltd., 66.70% equity interest in China Securities Finance Corporation Limited, and 94.34% equity interest in China Great Wall AMC. HKSCC Nominees Limited is a wholly-owned subsidiary of Hong Kong Securities Clearing Company Ltd. Apart from the aforesaid equity interest relationships, the Bank is not aware of any connected relation or concerted action among the aforesaid shareholders. Huijin exercises the contributor's rights and obligations in key state-owned financial institutions on behalf of the State, and it does not engage in any other commercial business activities, nor does it interfere with daily operations of the key state-owned financial institutions of which it is the controlling shareholder.
- As at 31 December 2025, none of the top ten shareholders not subject to selling restrictions of the Bank were involved in margin trading, short selling or refinancing of funds or securities, except that the status of HKSCC Nominees Limited was unknown.

TRADING SCHEDULE FOR SHARES SUBJECT TO SELLING RESTRICTIONS

Unit: share

Date	Number of new tradable shares upon the expiry of the lock-up period	Remaining number of shares subject to selling restrictions	Remaining number of shares not subject to selling restrictions	Note
24 June 2030	11,589,403,973	–	261,600,381,459	Shares held by the MOF

NUMBER OF SHARES HELD BY THE SHAREHOLDER SUBJECT TO SELLING RESTRICTIONS AND THE CORRESPONDING SELLING RESTRICTIONS

Unit: share

Name of shareholder subject to selling restrictions	Number of shares subject to selling restrictions held	Tradable Date	Number of new tradable shares	Selling restrictions
MOF	11,589,403,973	24 June 2030	–	Five years from the date of equity acquisition



CHANGES IN SHARE CAPITAL AND PARTICULARS OF SHAREHOLDERS

CONTROLLING SHAREHOLDER OF THE BANK

Huijin is the controlling shareholder of the Bank, holding 54.61% of the shares of the Bank as at the end of the reporting period, and indirectly held 0.19% of the shares of the Bank through its subsidiary, Central Huijin Asset Management Ltd. Huijin is a wholly state-owned company established with the approval of the State Council in accordance with the PRC Company Law on 16 December 2003. Both its registered capital and paid-in capital are RMB828,209 million. Its legal representative is Mr. Zhang Qingsong. Huijin makes equity investment in key state-owned financial institutions as authorised by the State Council, and exercises the contributor's rights and obligations in key state-owned financial institutions up to its contribution amount on behalf of the State to achieve preservation and appreciation of state-owned financial assets. Huijin does not engage in any other commercial business activities, nor does it interfere with daily operations of the key state-owned financial institutions of which it is the controlling shareholder.

As at 31 December 2025, information on the enterprises directly held by Huijin is as follows.

No.	Name of institution	Shareholding of Huijin (%)
1	China Development Bank	34.68
2	Industrial and Commercial Bank of China Limited ^{1, 2}	34.79
3	Agricultural Bank of China Limited ^{1, 2}	40.14
4	Bank of China Limited ^{1, 2}	58.59
5	China Construction Bank Corporation ^{1, 2}	54.61
6	China Everbright Group Ltd.	63.16
7	China Export & Credit Insurance Corporation	73.63
8	China Reinsurance (Group) Corporation ²	71.56
9	China Jianyin Investment Limited	100.00
10	China Galaxy Financial Holding Co., Ltd.	69.07
11	Shenwan Hongyuan Group Co., Ltd. ^{1, 2}	20.05
12	New China Life Insurance Company Limited ^{1, 2}	31.34
13	China International Capital Corporation Limited ^{1, 2}	40.11
14	Zhong Hui Life Insurance Co., Ltd.	80.00
15	China Great Wall Asset Management Co., Ltd.	94.34
16	China Orient Asset Management Co., Ltd.	71.55
17	China Cinda Asset Management Co., Ltd. ²	58.00
18	China Agricultural Reinsurance Co., Ltd.	55.90
19	China Securities Finance Corporation Limited	66.70
20	China Gold Coin Group Co., Ltd.	100.00
21	Huida Asset Management Co., Ltd.	100.00
22	Evergrowing Bank Co., Limited	40.46
23	Bank of Hunan Corporation Limited	17.71
24	China Securities Co., Ltd. ^{1, 2}	30.76
25	China Galaxy Asset Management Co., Ltd.	12.66
26	Guotai Junan Investment Management Co., Ltd.	14.54

1. A-share listed companies held by Huijin, the controlling shareholder of the Bank, as at 31 December 2025.

2. H-share listed companies held by Huijin, the controlling shareholder of the Bank, as at 31 December 2025.

3. Besides the enterprises above controlled or held by Huijin, Huijin has a wholly-owned subsidiary Central Huijin Asset Management Ltd., which was established in November 2015 in Beijing with a registered capital of RMB5.0 billion, and engages in assets management business.

Please refer to the *Announcement on Matters related to the Incorporation of China Investment Corporation* published by the Bank in October 2007 for details of China Investment Corporation.

At the end of the reporting period, there were no other corporate shareholders holding 10% or more of shares of the Bank except for Huijin and HKSCC Nominees Limited, nor were there any internal employee shares.



CHANGES IN SHARE CAPITAL AND PARTICULARS OF SHAREHOLDERS

DETAILS OF PREFERENCE SHARES

As at 31 December 2025, the Bank had 25 preference shareholders, all of whom were domestic preference shareholders, and there was no restoration of voting rights. As at 28 February 2026, the Bank had 26 preference shareholders, all of whom were domestic preference shareholders.

At the end of 2025, the particulars of shareholding of the top ten preference shareholders of the Bank were as follows (containing parallel item).

Unit: share

Name of preference shareholder	Nature of shareholder	Shareholding percentage (%)	Changes during the reporting period	Total number of shares held
China Fund Management Co., Ltd.	Others	14.08	57,700,000	84,494,878
Hwabao Trust Co., Ltd.	Others	11.94	-37,680,000	71,630,000
Everbright Securities Asset Management Co., Ltd.	Others	9.68	18,060,000	58,100,000
Jiangsu International Trust Corporation Limited	Others	9.02	-10,200,000	54,100,000
China Life Insurance Company Limited	Others	8.33	–	50,000,000
China Mobile Communications Group Co., Ltd.	State-owned legal person	8.33	–	50,000,000
Ping An Life Insurance Company of China, Ltd.	Others	8.28	–	49,660,000
Postal Savings Bank of China Co., Ltd.	Others	4.17	–	25,000,000
China Credit Trust Company Limited.	Others	3.97	9,250,000	23,800,000
Suyin Wealth Management Co., Ltd.	Others	3.33	10,200,000	20,000,000
PICC Property and Casualty Company Limited	Others	3.33	–	20,000,000

1. None of the aforesaid preference shares were pledged, marked or frozen.
2. The Bank is not aware of any connected relation or concerted action among the aforesaid preference shareholders, or between the aforesaid preference shareholders and the top ten ordinary shareholders.

According to the resolution and authorisation of the shareholders' general meeting, the Board meeting of the Bank held on 30 October 2025 considered and approved the dividend distribution plan of domestic preference shares of the Bank. Dividends for preference shares are paid in cash by the Bank to preference shareholders on an annual basis. Dividends not fully distributed to preference shareholders are not accumulated to the next year. After the preference shareholders receive dividends at the agreed dividend rate, they are not entitled to the distribution of any remaining profit with ordinary shareholders.

According to the terms of issuance of domestic preference shares, the Bank distributed dividends of RMB2,142 million (including tax) to the holders of the domestic preference shares. Such dividends were paid in cash on 26 December 2025. Please refer to the announcement published on the websites of SSE, the "HKEXnews" of Hong Kong Exchanges and Clearing Limited and the Bank for details.

Distributions of dividends (including tax) for preference shares of the Bank in the past three years were as follows.

(In millions of RMB, except percentages)	2025		2024		2023	
	Dividend rate	Dividends distributed	Dividend rate	Dividends distributed	Dividend rate	Dividends distributed
Domestic preference shares	3.57%	2,142	3.57%	2,142	3.57%	2,142

In accordance with *Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments*, *Accounting Standards for Business Enterprises No. 37 – Presentation of Financial Instruments* and *Rules on Distinguishing Financial Liabilities and Equity Instruments and Relevant Accounting Treatments* promulgated by the MOF, as well as *International Financial Reporting Standard No. 9 – Financial Instruments* and *International Accounting Standard No. 32 – Financial Instruments: Presentation* formulated by the International Accounting Standards Board, the existing preference shares issued by the Bank meet the requirements of equity instruments in their terms and conditions, and are treated as equity instruments.

The Bank had not issued preference shares in the past three years. During the reporting period, the Bank had no redemption or conversion of preference shares.



REPORT OF THE BOARD OF DIRECTORS

In 2025, the Board of the Bank fully, accurately and comprehensively implemented the new development philosophy, and continued to strengthen the Party's leadership in the improvement of corporate governance. The Board guided the Bank in full recognition of the political significance of financial work and its importance to the interest of the people, firmly adhered to proper business, performance and risk management philosophy, and followed the fundamental guiding principle of enhancing "Three Capabilities" in serving national construction, preventing financial risks, and participating in international competition. The Bank focused on its primary businesses, upheld core values while embracing innovation, and efficiently coordinated scale, structure, efficiency and risk management. It further increased support for the real economy, enhanced efforts for the "Five Priorities" in finance, pushed forward its intensive high-quality development, and unswervingly followed the path of financial development with Chinese characteristics.

In accordance with laws and regulations, the Articles of Association and the authorisation of the shareholders' meeting, the Board of the Bank conscientiously performed its duties, made rational and prudent decisions and exercised its powers properly. In 2025, the Board held 12 meetings, at which 116 proposals were considered, one proposal was reviewed and 41 reports were heard; and one annual general meeting, one A-shareholders class meeting, one H shareholders class meeting and two extraordinary shareholders' meetings were proposed to be convened, at which 31 resolutions were considered and four reports were heard.

The Board of the Bank hereby presents its report together with the financial statements of the Group for the year 2025.

PRINCIPAL ACTIVITIES

The Group is engaged in banking and related financial services.

BUSINESS REVIEW

The business review of the Group for the year 2025 is set out in the "Management Discussion and Analysis" of this annual report.

PROFIT AND DIVIDENDS

The profit of the Group for the year 2025 and the Group's financial position at the end of 2025 are set out in the "Financial Statements" of this annual report. The analysis on operating results, financial position and related changes during the reporting period are set out in the "Management Discussion and Analysis" of this annual report.

Upon approval of the first extraordinary general meeting of 2025, the Bank distributed a final cash dividend of RMB2.060 per ten shares (including tax) for 2024, totalling approximately RMB51,502 million, to all ordinary shareholders whose names appeared on the register of members after the closing of the stock market on 8 May 2025. After taking into consideration an interim cash dividend of RMB1.970 per ten shares (including tax) for 2024 distributed, the cash dividend for the year of 2024 was RMB4.030 per ten shares (including tax), with cash dividends for the year totalling approximately RMB100,754 million.

Upon approval of the second extraordinary shareholders' meeting of 2025, the Bank distributed an interim cash dividend of RMB1.858 per ten shares (including tax) for 2025, totalling approximately RMB48,605 million, to all ordinary shareholders whose names appeared on the register of members after the closing of the stock market on 10 December 2025.

The Board of the Bank proposed a final cash dividend of RMB2.029 per ten shares (including tax) for 2025, totalling approximately RMB53,079 million, to all ordinary shareholders, subject to deliberation and approval of the annual shareholders' meeting of 2025 in the first half of 2026. The cash dividend will be paid to ordinary shareholders whose names appeared on the register of members after the closing of the stock market on 10 July 2026 upon the approval of the profit distribution plan by the annual shareholders' meeting of 2025. The expected payment date of the A shares final cash dividend for 2025 is 13 July 2026. The expected payment date of the H shares final cash dividend for 2025 is 21 August 2026. After taking into consideration the interim cash dividend, the cash dividend per ten shares (including tax) for 2025 will be RMB3.887, totalling approximately RMB101,684 million, representing 30% of the Group's net profit attributable to equity shareholders of the Bank for 2025.



REPORT OF THE BOARD OF DIRECTORS

Dividends on ordinary shares of the Bank will be denominated and declared in RMB, and will be paid in RMB or in HKD equivalent, and the H-shares holders are provided with the option of dividend distribution in RMB. The H-shares holders have the right to choose to receive the H shares final dividends in RMB or HKD in whole (HKSCC Nominees Limited may choose to receive the dividends in whole or in part). The exchange rate of the H shares final dividends shall be determined based on the average of the reference rates of RMB against HKD published daily at 11:00 a.m. by China Money (www.chinamoney.com.cn) for the five working days prior to the commencement date for the shareholders' currency election (excluding the commencement date). Upon the profit distribution plan for 2025 being approved by the annual shareholders' meeting of 2025, the Bank will issue the currency election form for the H shares final dividends to the H-shares holders as and when appropriate.

The Bank's H-share register of members will be closed from 5 July 2026 to 10 July 2026 (both days inclusive), during which period no transfer of H-shares will be effected. In order to receive the final cash dividend for 2025, the Bank's H-shares holders who have not registered the transfer documents, must deposit the transfer documents together with the relevant share certificates at the H-Share registrar of the Bank, Computershare Hong Kong Investor Services Limited, at or before 4:30 pm on 3 July 2026. The address is Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. The last trading day of the Bank's H-shares before ex-dividend is 30 June 2026, and the ex-dividend day is 2 July 2026.

FORMULATION AND IMPLEMENTATION OF PROFIT DISTRIBUTION POLICY

The Bank may distribute dividends in the form of cash, shares and a combination of cash and shares. Unless under special circumstances, the Bank shall distribute dividends in cash if it gains profit in the year and has positive undistributed profits on a cumulative basis. The cash dividends distributed by the Bank in a year shall be no less than 10% of the net profit attributable to equity shareholders of the Bank on a consolidated basis for the same year. To make adjustment to the profit distribution policy, the Board shall conduct a specific discussion to elaborate on the reasons to make the adjustments and prepare a written report. Independent non-executive directors shall express their views, and the matter shall be approved in the form of special resolution by the shareholders' meeting. The Bank shall provide the shareholders with online voting channels when reviewing the adjustments to the profit distribution policy.

The formulation and implementation of the Bank's profit distribution policies conform to the provisions of the Bank's Articles of Association and the requirements of the resolutions of the shareholders' meeting. The Bank has sound decision-making procedures and mechanisms as well as clear and definite dividend distribution criteria and ratios. The independent non-executive directors conducted due diligence and fulfilled their duties in the decision-making process of the profit distribution plan. Minority shareholders may fully express their opinions and appeals, and their legitimate rights and interests are fully protected.

The cash dividend distribution of ordinary shares (including tax) of the Bank for the past three years is set out below:

	2025	2024	2023
Cash dividend per ten shares (In RMB)	3.887 ²	4.030	4.000
Cash dividends (In millions of RMB)	101,684 ²	100,754	100,004
Ratios of cash dividend to net profit ^{1,2} (%)	30.0	30.0	30.1

1. Net profit refers to the net profit attributable to equity shareholders of the Bank on a consolidated basis. Please refer to Note "Profit Distributions" to the financial statements of annual reports of the related years for details of cash dividends.
2. The 2025 interim cash dividend per ten shares (including tax) was RMB1.858, with cash dividends totalling approximately RMB48,605 million, and the 2025 final cash dividend per ten shares (including tax) was RMB2.029, with cash dividends totalling approximately RMB53,079 million. The 2025 cash dividend per ten shares (including tax) will be RMB3.887, with cash dividends for the year totalling approximately RMB101,684 million.

Please refer to "Changes in Share Capital and Particulars of Shareholders – Details of Preference Shares" of this report for details of the profit distribution of preference shares.



REPORT OF THE BOARD OF DIRECTORS

TAXATION AND TAX REDUCTION AND EXEMPTION

Shareholders of the Bank pay relevant taxes according to tax laws and regulations, enjoy potential tax reduction and exemption in line with their actual situations, and should seek advice from professional tax and legal consultants for specific taxation matters. At the end of 2025, the relevant tax laws and regulations are as follows:

Holders of A-Shares

According to the *Circular Concerning the Implementation of Differentiated Individual Income Tax Policies on Dividends from Listed Companies* (Cai Shui [2012] No. 85) and *Circular Concerning the Differentiated Individual Income Tax Policies on Dividends from Listed Companies* (Cai Shui [2015] No. 101) issued by the MOF, the State Administration of Taxation and the CSRC, for the stocks held for more than one year, the dividend income shall be temporarily exempted from individual income tax; for the stocks held for more than one month but not more than one year (inclusive), the dividend income shall be temporarily included in the taxable income at 50% of its amount; for stocks held for not more than one month (inclusive), the dividend income shall be included in the taxable income in full amount. Individual income taxes on the aforesaid income shall be collected at a uniform rate of 20%. Individual income taxes on dividends from listed companies for securities investment funds shall be collected according to the rules aforesaid as well.

According to article 26(2) of the *Law on Enterprise Income Tax*, dividends and other equity investment income between qualified resident enterprises are tax-exempt income.

According to article 83 of the *Regulations for the Implementation of the Law on Enterprise Income Tax*, the dividends and other equity investment income between qualified resident enterprises as prescribed in article 26(2) of the *Law on Enterprise Income Tax* refer to investment income obtained by a resident enterprise from the direct investment in other resident enterprises. The stock equity and other equity investment income as prescribed in article 26(2) of the *Law on Enterprise Income Tax* exclude investment income from outstanding stocks publicly issued by a resident enterprise on stock exchanges that are held for less than 12 months.

According to the *Law on Enterprise Income Tax* and the regulations for its implementation, the enterprise income tax on dividend income obtained by non-resident enterprise shareholders shall be levied at a reduced rate of 10%.

Holders of H-Shares

According to PRC tax laws and regulations, withholding agents shall withhold and pay individual income tax on dividend income for shares of non-foreign-invested domestic enterprises listed in Hong Kong obtained by an offshore resident individual. However, the offshore resident individual shareholder holding Hong Kong-listed shares of domestic non-foreign-invested enterprises may enjoy relevant preferential tax treatment under the tax treaties between China and the state where such shareholder possesses resident status, or the indirect tax arrangements between the Chinese mainland and Hong Kong or Macau. Generally, as for individual holders of H-shares, individual income tax shall be withheld and paid at the rate of 10%, unless it is otherwise provided by tax laws and regulations and relevant tax treaties.

According to *Notice on the Issues Concerning Withholding Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to Holders of H-shares Which Are Overseas Non-resident Enterprises* (Guo Shui [2008] No. 897) published by the State Administration of Taxation, when a Chinese resident enterprise pays dividends for the year 2008 or any year thereafter to its holders of H-shares which are overseas non-resident enterprises, it shall withhold enterprise income tax thereon at a uniform rate of 10%.

According to current practice of the Hong Kong Inland Revenue Department, holders of H-shares in Hong Kong do not need to pay tax for dividends distributed by the Bank.

Issues about taxation of Shanghai-Hong Kong Stock Connect shall follow the *Notice on Taxation Policies Concerning the Pilot Programme of an Interconnection Mechanism for Transactions in the Shanghai and Hong Kong Stock Markets* (Cai Shui [2014] No. 81) issued by the MOF, the State Administration of Taxation and the CSRC.

Issues about taxation of Shenzhen-Hong Kong Stock Connect shall follow the *Notice on Taxation Policies Concerning the Pilot Programme of an Interconnection Mechanism for Transactions in the Shenzhen and Hong Kong Stock Markets* (Cai Shui [2016] No. 127) issued by the MOF, the State Administration of Taxation and the CSRC.

Preference Shareholders

Individual income tax payment related to dividends of non-public domestic preference shares obtained by individuals shall follow the relevant PRC tax laws and regulations.

As prescribed by the *Law on Enterprise Income Tax* and the *Regulation for Implementation of the Law on Enterprise Income Tax*, dividends of domestic preference shares between qualified resident enterprises are exempt from taxation. Enterprise income tax on dividends of domestic preference shares obtained by non-resident enterprises, in general, shall be collected at the preferential rate of 10%.



REPORT OF THE BOARD OF DIRECTORS

SUMMARY OF FINANCIAL INFORMATION

Please refer to “Financial Summary” of this report for the summary of the operating results, assets and liabilities of the Group for the years from 2021 to 2025.

RESERVES

Please refer to “Consolidated Statement of Changes in Equity” of this report for details of the movements in the reserves of the Group for the year 2025.

DONATIONS

Total external donations made by the Group for the year 2025 were RMB136 million.

FIXED ASSETS

Please refer to Note “Fixed Assets” to the financial statements of this report for details of movements in fixed assets of the Group for the year 2025.

RETIREMENT BENEFITS

Please refer to Note “Accrued Staff Costs” to the financial statements of this report for details of the retirement benefits provided to employees of the Group.

ULTIMATE PARENT COMPANY AND ITS SUBSIDIARIES

Please refer to “Changes in Share Capital and Particulars of Shareholders – Controlling Shareholder of the Bank” of this report and Note “Long-term Equity Investments” to the financial statements for details of the Bank’s ultimate parent company and its subsidiaries respectively at the end of 2025.

ISSUANCE OF SHARES

Please refer to “Changes in Share Capital and Particulars of Shareholders – Securities Issuance and Listing” of this report for details of the issuance of shares of the Bank.

ISSUANCE OF DEBT SECURITIES

Please refer to “Changes in Share Capital and Particulars of Shareholders – Securities Issuance and Listing” of this report for details of the issuance of Tier 2 capital bonds and undated additional Tier 1 capital bonds of the Bank.

EQUITY-LINKED AGREEMENTS

The Bank made a non-public issuance of domestic preference shares of RMB60 billion in total in the domestic market on 21 December 2017. Apart from the above preference shares, the Bank had not entered into or maintained any other equity-linked agreement by the end of the reporting period.

Pursuant to regulations including the *Capital Rules for Commercial Banks (Provisional)* and the *Administrative Measures for the Pilot Programme for Preference Shares*, a commercial bank shall make provisions on compulsory conversion of preference shares into ordinary shares, under which the commercial bank shall convert the preference shares into ordinary shares as contractually agreed in case of a trigger event. Such a trigger event happens when the Common Equity Tier 1 ratio drops to 5.125% or below, when the regulator determines that the Bank will not be able to survive if the preference shares of the Bank are not converted or written down, or when relevant government authorities determine that the Bank will not be able to survive if there is no capital injection or equivalent support from public sectors. According to the relevant regulations, the Bank has made provisions on trigger events under which preference shares shall be compulsorily converted into ordinary shares. If such trigger events happen to the Bank and all preference shares need to be compulsorily converted into ordinary shares at the initial conversion price, the number of ordinary A-shares that the domestic preference shares are converted into will not exceed 11,538,461,538. During the reporting period, the Bank did not experience any trigger event for which the preference shares need to be compulsorily converted into ordinary shares.

SHARE CAPITAL AND PUBLIC FLOAT

Up to the publishing of this report, based on public information, the Bank had issued 261,600,381,459 ordinary shares in total (including 240,417,319,880 H-shares and 21,183,061,579 A-shares), which complied with the relevant requirements for public float under relevant laws and regulations as well as the listing rules of its listing venues.

PURCHASE, SALE AND REDEMPTION OF SHARES

During the reporting period, neither the Bank nor any of its subsidiaries purchased, sold or redeemed any of its shares (including sale of treasury shares). At the end of the reporting period, neither the Bank nor its subsidiaries hold any treasury shares of the Bank.



REPORT OF THE BOARD OF DIRECTORS

PRE-EMPTIVE RIGHTS

The Articles of Association of the Bank does not contain provisions under which the Bank's shareholders have pre-emptive rights. The Articles of Association specifies that if the Bank wishes to increase its capital, it may issue new shares to investors, issue or distribute new shares to existing shareholders, or convert its capital reserve to share capital.

PROFILES OF DIRECTORS AND SENIOR MANAGEMENT, AND REMUNERATION POLICY

Please refer to "Corporate Governance, Environment and Society – Corporate Governance – Profiles of Directors and Senior Management" of this report for details of profiles of directors and senior management and the remuneration policy.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at 31 December 2025, the interests and short positions of substantial shareholders and other persons in the shares and underlying shares of the Bank as recorded in the register required to be kept under Section 336 of the *Securities and Futures Ordinance* (SFO) of Hong Kong were as follows:

Name	Type of shares	Title	Number of shares	Nature of rights and interests	% of A-shares issued	% of H-shares issued	% of total ordinary shares issued
Huijin ¹	A-shares	Beneficial owner	267,392,944	Long position	1.26	–	0.10
		Interest of controlled corporations	2,685,899,472	Long position	12.68	–	1.03
MOF ²	A-shares	Beneficial owner	11,589,403,973	Long position	54.71	–	4.43
Huijin ³	H-shares	Beneficial owner	142,590,494,651	Long position	–	59.31	54.51
		Interest of controlled corporations	7,865,000,000	Long position	–	3.27	3.01

1. On 27 June 2025, Huijin declared its interests to the Hong Kong Stock Exchange. It disclosed that it held interests of 2,953,292,416 A-shares of the Bank, accounting for 13.94% of the A-shares issued (21,183,061,579 shares) and 1.13% of the ordinary shares issued (261,600,381,459 shares), in which 267,392,944 A-shares were directly held by Huijin, 496,639,800 A-shares were held by Central Huijin Asset Management Ltd., a wholly-owned subsidiary of Huijin, and 2,189,259,672 A-shares were held by China Securities Finance Corporation Limited, a controlled entity of Huijin. As at 31 December 2025, according to the A-share register of shareholders of the Bank, Huijin directly held 267,392,944 A-shares of the Bank, Central Huijin Asset Management Ltd. directly held 496,639,800 A-shares of the Bank, and China Securities Finance Corporation Limited directly held 2,189,259,672 A-shares of the Bank.
2. On 26 June 2025, the MOF declared its interests to the Hong Kong Stock Exchange. It disclosed that it held interests of 11,589,403,973 A-shares of the Bank, accounting for 54.71% of the A-shares issued (21,183,061,579 shares) and 4.43% of the ordinary shares issued (261,600,381,459 shares). As at 31 December 2025, according to the A-share register of shareholders of the Bank, the MOF directly held 11,589,403,973 A-shares of the Bank.
3. On 1 August 2025, Huijin declared its interests to the Hong Kong Stock Exchange. It disclosed that it held interests of 150,455,494,651 H-shares of the Bank, accounting for 62.58% of the H-shares issued (240,417,319,880 shares) and 57.52% of the ordinary shares issued (261,600,381,459 shares), in which 142,590,494,651 H-shares were directly held by Huijin, 7,865,000,000 H-shares were held by China Great Wall AMC, a controlled entity of Huijin. As at 31 December 2025, according to the H-share register of shareholders of the Bank, Huijin directly held 142,590,494,651 H-shares of the Bank and China Great Wall AMC actually held 7,865,000,000 H-shares of the Bank.

DIRECTORS' INTERESTS AND SHORT POSITIONS

During the reporting period, there was no change in the shareholdings of directors of the Bank. Mr. Zhang Yi indirectly held 9,848 H-shares of the Bank at the end of the reporting period by participating in the employee stock incentive plan of the Bank before he assumed his current positions. Save as disclosed above, none of the directors of the Bank had any interests or short positions in the shares, underlying shares and debentures of the Bank or its associated corporations (within the meaning of Part XV of the SFO) which have to be notified to the Bank and Hong Kong Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests or short positions therein that they shall be deemed to have pursuant to such provisions of the SFO), or recorded in the register required to be kept under Section 352 of the SFO or notified to the Bank and Hong Kong Stock Exchange pursuant to Appendix C3 *Model Code for Securities Transactions by Directors of Listed Issuers*, to the Listing Rules of Hong Kong Stock Exchange.

As of 31 December 2025, except for the employee stock incentive plan, the Bank had not granted its directors or their respective spouses or children under the age of 18, any other rights to subscribe for the shares or debentures of the Bank or any of its associated corporations.



REPORT OF THE BOARD OF DIRECTORS

DIRECTORS' FINANCIAL, BUSINESS AND FAMILY RELATIONSHIPS

There are no financial, business, family or other material relationships among the directors of the Bank.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS, SERVICE CONTRACTS AND LIABILITY INSURANCE

During the reporting period, no director of the Bank or entities connected with the directors had any interest, whether directly or indirectly, in any transaction, arrangement or contract of significance in relation to the Group's business with the Bank or any of its holding companies or subsidiaries or subsidiaries of the Bank's holding companies, apart from their respective service contracts.

None of the directors of the Bank has entered into service contracts with the Bank that cannot be terminated by the Bank within one year without payment of compensation (other than statutory compensation).

The Bank effected liability insurance for all directors in 2025.

DIRECTORS' INTERESTS IN THE BANK'S COMPETING BUSINESSES

Save as disclosed in the biographical details of the directors of the Bank, none of the directors of the Bank directly or indirectly has any interest that constitutes or may constitute a competing business of the Bank.

MANAGEMENT CONTRACTS

During the reporting period, the Bank did not enter into or have any contract regarding the management and administration of the whole or any important business.

RISK MANAGEMENT

The risk management of the Group for the year 2025 is set out in the "Management Discussion and Analysis — Risk Management" of this report.

RELATED PARTY TRANSACTIONS

In 2025, the related party transactions between the Bank and its related parties as defined by the NFRA consisted of general related party transactions and various transactions under the unified transaction agreement with CCB Asia, covering credit granting, asset transfers, services, deposits and others. Except for the transactions that can be exempted from disclosure in the same way for related party transactions as set out in Article 57 of the *Rules on Related Party Transactions of Banking and Insurance Institutions*, related party transactions involving credit granting were RMB1,215,112 million, related party transactions involving asset transfers were RMB45,260 million, related party transactions of service nature were RMB13,305 million, and related party transactions involving deposits and others were RMB547,463 million. In 2025, transactions of RMB269,838 million in total occurred under the unified transaction agreement with CCB Asia. At the end of 2025, the maximum credit balance for a single related party, the maximum total credit balance for the group customer to which a single affiliated legal person or unincorporated organisation belongs, and the credit balance for all related parties accounted for 1.79%, 1.79%, and 6.36% of total capital, respectively, all of which met the requirements of the *Rules on Related Party Transactions of Banking and Insurance Institutions*.

In 2025, the Bank engaged in a series of connected transactions with the connected persons of the Bank as defined by the Listing Rules of Hong Kong Stock Exchange in the ordinary course of its business. Such transactions met the criteria for exemption under Rule 14A.73 of the Listing Rules of Hong Kong Stock Exchange, and were fully exempted from shareholders' approval, annual review and all the disclosure requirements.

For details of the related party transactions as defined by the Listing Rules of SSE and accounting standards, please refer to Note "Related party relationships and transactions" to the financial statements of this report.



REPORT OF THE BOARD OF DIRECTORS

SIGNIFICANT INVESTMENTS

As of 31 December 2025, the Group did not have any significant investment as required to be disclosed in accordance with Rule 32(4A) under the Appendix D2 to the Listing Rules of Hong Kong Stock Exchange.

RELATIONSHIPS WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS

Employees are the valuable assets to the Bank. The Bank ensures the labour rights of employees according to laws and regulations, and is committed to building a broad development platform for its employees by constantly safeguarding the career development of its employees in terms of remunerations, benefits, training, promotions and other aspects. The Bank attaches great importance to the sound partnership with its suppliers, adheres to the principles of openness, fairness, impartiality and integrity, and treats suppliers as equals, in a bid to build a conducive supply ecosystem. Adhering to the “customer-centred” concept, the Bank strives to deliver high-quality financial services, comprehensively advances the “AI+” initiative, continues to promote upgrades in service management, innovation in service models and expansion of service scenarios, makes every effort to create a more intelligent, convenient, specialised and outstanding customer service experience, actively responds to customer needs and expectations, so as to satisfy the financial service demands of customers and help realise people’s aspirations for a better life. For details of the Bank’s relationships with employees, suppliers and customers, please refer to the Bank’s *Sustainability Report 2025*.

MAJOR CUSTOMERS

For the year 2025, the aggregate amount of interest income and other business income generated from the five largest customers of the Group accounted for less than 30% of the total interest income and other business income of the Group.

ENVIRONMENTAL POLICIES AND PERFORMANCE

For details of the Bank’s environmental policies and performance, please refer to the “Environmental and Social Responsibilities” of this report and the Bank’s *Sustainability Report 2025*.

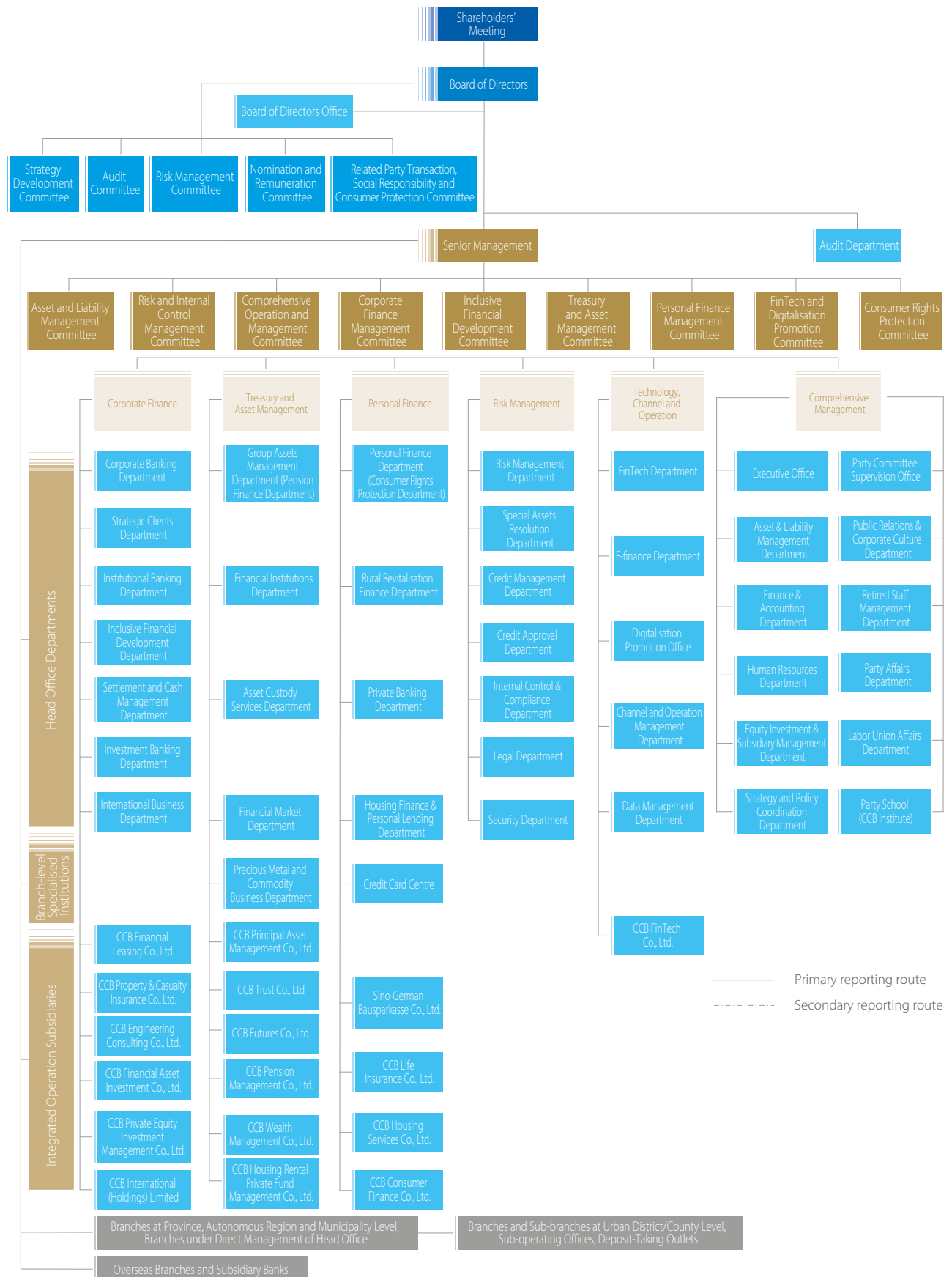
PERFORMANCE SUPERVISION AND EVALUATION

In accordance with applicable laws and regulations, the audit committee of the Board has assumed the functions and powers of the Board of Supervisors, and conducted supervision and evaluation of the performance of the directors and senior management. All directors and senior executives involved had been evaluated as competent in the performance assessment for the year 2025.

The Board of Directors
27 March 2026



ORGANISATIONAL STRUCTURE





BRANCHES AND SUBSIDIARIES

TIER-ONE BRANCHES IN THE CHINESE MAINLAND

Branches		Address	Telephone	Facsimile
Anhui Branch		No. 2358, Yungu Road, Hefei Postcode: 230001	0551-62874100	0551-62872014
Beijing Branch		Entry.4, Building 28, Xuanwumen West Street, Beijing Postcode: 100053	010-63603682	010-63603656
Chongqing Branch		No. 123, Minzu Road, Yuzhong District, Chongqing Postcode: 400010	023-63771855	023-63771835
Dalian Branch		No. 1, Jiefang Street, Zhongshan District, Dalian Postcode: 116001	0411-88066666	0411-82804560
Fujian Branch		No. 298, Jiangbin Middle Avenue, Taijiang District, Fuzhou Postcode: 350009	0591-87838467	0591-87856865
Gansu Branch		No. 77, Qin'an Road, Chengguan District, Lanzhou Postcode: 730030	0931-4891975	0931-4891862
Guangdong Branch		No. 509, Dongfengzhong Road, Guangzhou Postcode: 510045	020-83018888	020-83013950
Guangxi Branch		No. 90, Minzu Avenue, Nanning Postcode: 530022	0771-5513110	0771-5513012
Guizhou Branch		No. 148, North Zhonghua Road, Guiyang Postcode: 550001	0851-86696367	0851-86696371
Hainan Branch		CCB Plaza, No. 8, Guomao Road, Haikou Postcode: 570125	0898-68587268	0898-68587569
Hebei Branch		No. 40, Ziqiang Road, Shijiazhuang Postcode: 050000	0311-88601010	0311-88601001
Henan Branch		No. 80, Huayuan Road, Zhengzhou Postcode: 450003	0371-65556677	0371-65556688
Heilongjiang Branch		No. 67, Hongjun Street, Nan'gang District, Harbin Postcode: 150001	0451-58683642	0451-53625552
Hubei Branch		No. 709, Jianshe Street, Wuhan Postcode: 430015	027-85486656	027-65775881
Hunan Branch		No. 2, Baisha Road, Changsha Postcode: 410005	0731-84419910	0731-84419141
Jilin Branch		No. 810, Xi'an Road, Changchun Postcode: 130061	0431-80835310	0431-88988748
Jiangsu Branch		No. 188, Hongwu Road, Nanjing Postcode: 210002	025-84200545	025-84209316
Jiangxi Branch		No. 366, Bayi Street, Nanchang Postcode: 330006	0791-86848165	0791-86848318
Liaoning Branch		No. 40, Nan'er Road, Heping District, Shenyang Postcode: 110002	024-22787600	024-22857427
Inner Mongolia Branch		No. 6, Daxue East Street, Saihan District, Hohhot Postcode: 010010	0471-4593703	0471-4593890
Ningbo Branch		No. 255, Baohua Street, Yinzhou District, Ningbo Postcode: 315042	0574-87328212	0574-87325019
Ningxia Branch		No. 98, Nanxun West Street, Xingqing District, Yinchuan Postcode: 750001	0951-4126085	0951-4106165
Qingdao Branch		No. 222, Shenzhen Road, Laoshan District, Qingdao Postcode: 266061	0532-68670056	0532-82670157
Qinghai Branch		No. 59, West Street, Xining Postcode: 810000	0971-8261154	0971-8261225



BRANCHES AND SUBSIDIARIES

Branches		Address	Telephone	Facsimile
Shandong Branch		No. 168, North Long'ao Road, Jinan Postcode: 250099	0531-82088734	0531-86169108
Shaanxi Branch		No. 1589, Zhuquenan Road, Yanta District, Xi'an Postcode: 710061	029-87606007	029-87606014
Shanxi Branch		No. 126, Yingze Street, Taiyuan Postcode: 030001	0351-4957800	0351-4957278
Shanghai Branch		No. 900, Lujiazui Ring Road, Shanghai Postcode: 200120	021-58880000	021-58881168
Shenzhen Branch		No. 8, Pengcheng 1st Road, Futian District, Shenzhen Postcode: 518038	0755-81686666	0755-81683333
Sichuan Branch		Sichuan CCB Building, No. 86, Tidu Street, Chengdu Postcode: 610016	028-86767161	028-86767187
Suzhou Branch		No. 18, Suzhou Avenue West, Suzhou Industrial Park, Suzhou Postcode: 215021	0512-62788786	0512-62788783
Tianjin Branch		Plus 1 No. 19, Nanjing Road, Hexi District, Tianjin Postcode: 300203	022-58751166	022-58751811
Xizang Branch		No. 21, Beijing West Road, Lhasa Postcode: 850000	0891-6838792	0891-6834852
Xiamen Branch		No. 98, Lujiang Road, Xiamen Postcode: 361001	0592-2158982	0592-2158862
Xinjiang Branch		No. 99, Minzhu Road, Urumqi Postcode: 830002	0991-2848666	0991-2819160
Yunnan Branch		CCB Plaza, Jinbi Road, Kunming Postcode: 650021	0871-63060858	0871-63060333
Zhejiang Branch		No. 33, Jiefang East Road, Hangzhou Postcode: 310016	0571-85313263	0571-85313001



BRANCHES AND SUBSIDIARIES

OVERSEAS BRANCHES

Astana Branch	Address: 26th Floor, Talan Towers, 16 Dostyk street, Esil district, Astana City, The Republic of Kazakhstan Telephone: 007-7172738888 Facsimile: 007-7172736666
Macau Branch	Address: 5th Floor, Circle Square, 61 Avenida de Almeida Ribeiro, Macau Telephone: 00853-82911880 Facsimile: 00853-82911800
DIFC Branch	Address: 31st Floor, Tower 2, Al Fattan Currency House, DIFC, 128220 Dubai, UAE Telephone: 00971-4-5674888 Facsimile: 00971-4-5674777
Tokyo Branch	Address: 17F/1F, West Tower, Otemachi First Square, 5-1, Otemachi 1-chome Chiyoda-ku, Tokyo 100-0004, Japan Telephone: 0081-3-52935218 Facsimile: 0081-3-32145157
Osaka Branch	Address: 1/F, Itoh Building, 3-6-14 Minamihonmachi, Chuo-ku, Osaka-shi, Osaka 541-0054, Japan Telephone: 0081-6-61209080 Facsimile: 0081-6-62439080
Toronto Branch	Address: 181 Bay Street, Suite 3650, Toronto ON, Canada, M5J 2T3 Telephone: 001-647-7777700 Facsimile: 001-647-7777739
Frankfurt Branch	Address: Bockenheimer Landstrasse 75, 60325 Frankfurt am Main, Germany Telephone: 0049-69-9714950 Facsimile: 0049-69-97149588, 97149577
Ho Chi Minh City Branch	Address: 11th Floor Sailing Tower, 111A Pasteur Street, Saigon Ward, Ho Chi Minh City, Vietnam Telephone: 0084-28-38295533 Facsimile: 0084-28-38275533
Luxembourg Branch	Address: 16 Boulevard Royal, L-2449 Luxembourg, Luxembourg Telephone: 00352-28668800 Facsimile: 00352-28668801
London Branch	Address: 111 Old Broad Street, London, EC2N 1AP, U.K. Telephone: 0044-20-70386000 Facsimile: 0044-20-70386001
Labuan Branch	Address: Level 13(E), Main Office Tower, Financial Park, Jalan Merdeka Labuan, Malaysia Telephone: 0060-87-582018 Facsimile: 0060-87-451188
Kuantan Banking Business Department	Address: Administrative Building, Kawasan Industri Malaysia-China Kuantan (MCKIP), Jalan Gebeng By Pass, Kuantan, Pahang Darul Makmur, Malaysia Telephone: 0060-87-582018 Facsimile: 0060-87-582028
New Zealand Branch	Address: Level 29, Vero Centre, 48 Shortland Street, Auckland 1010, New Zealand Telephone: 0064-9-3388200 Facsimile: 0064-9-3744275
New York Branch	Address: 33rd Floor, 1095 Avenue of the Americas, New York, USA NY 10036 Telephone: 001-646-7812400 Facsimile: 001-212-2078288
Seoul Branch	Address: China Construction Bank Tower, 24 Myeongdong 11-gil, Jung-gu, Seoul 04538, Korea Telephone: 0082-2-67303600 Facsimile: 0082-2-67303601



BRANCHES AND SUBSIDIARIES

Zurich Branch	Address: Beethovenstrasse 33, 8002 Zurich, Switzerland Telephone: 0041-43-5558800 Facsimile: 0041-43-5558898
Taipei Branch	Address: 1/F, No. 108, Sec.5, Xinyi Road, Xinyi Dist., Taipei 11047, Taiwan Telephone: 00886-2-87298088 Facsimile: 00886-2-27236633
Sydney Branch	Address: Level 31, 88 Phillip Street, Sydney, NSW 2000, Australia Telephone: 0061-2-80316100 Facsimile: 0061-2-92522779
Brisbane Branch	Address: Level 9, 123 Eagle Street, Brisbane, QLD 4000, Australia Telephone: 0061-7-30691900 Facsimile: 0061-2-92522779
Melbourne Branch	Address: Level 40, 525 Collins Street, Melbourne, VIC 3000, Australia Telephone: 0061-3-94528500 Facsimile: 0061-2-92522779
Perth Branch	Address: Level 9, 32 St Georges Terrace, Perth, WA 6000, Australia Telephone: 0061-8-62463300 Facsimile: 0061-2-92522779
Adelaide Branch	Address: Level 22, Festival Tower, Station Road, Adelaide, SA 5000, Australia Telephone: 0061-8-74206600 Facsimile: 0061-2-92522779
Hong Kong Branch	Address: 28/F, CCB Tower, 3 Connaught Road Central, Central, Hong Kong Telephone: 00852-39186939 Facsimile: 00852-39186001
Singapore Branch	Address: 9 Raffles Place, #39-01/02, Republic Plaza, Singapore 048619 Telephone: 0065-65358133 Facsimile: 0065-65356533
Johannesburg Branch	Address: 95 Grayston Drive, Morningside, Sandton, Johannesburg South Africa 2196 Telephone: 0027-11-5209400
Cape Town Branch	Address: 1506 Portside Building, 4 Bree Street, Foreshore, Cape Town, South Africa Telephone: 0027-21-4432660
Chile Branch	Address: Isidora Goyenechea 2800, 30/F, Santiago, Chile Postcode: 7550000 Telephone: 0056-2-27289118



BRANCHES AND SUBSIDIARIES

SUBSIDIARIES

CCB Property & Casualty Insurance Co., Ltd.	Address: 15/F, Building No. 1 of Luqiao Plaza, No. 142 Ning'an North Street, Jinfeng District, Yinchuan, Ningxia Hui Autonomous Region Postcode: 750000 Telephone: 010-85098000 Facsimile: 010-85098007 Website: www.ccbpi.com.cn
CCB Private Equity Investment Management Co., Ltd.	Address: 27/F, Building B, Beijing Lize Ping An Financial Center, Block 1, No. 4, Jinze West Road, Fengtai District, Beijing Postcode: 100073 Telephone: 010-58527200 Facsimile: 010-58527209
CCB Principal Asset Management Co., Ltd.	Address: 16/F, Winland International Finance Centre, No. 7, Financial Street, Xicheng District, Beijing Postcode: 100033 Telephone: 010-66228888 Facsimile: 010-66228889 Website: www.ccbfund.cn
CCB FinTech Co., Ltd.	Address: 12/F and 15/F, No. 99, Yincheng Road, China (Shanghai) Pilot Free Trade Zone Postcode: 200120 Telephone: 021-60633500 Facsimile: 021-60633500
CCB Financial Asset Investment Co., Ltd.	Address: Unit 1601-01, 16/F, No. 9A Financial Street, Xicheng District, Beijing Postcode: 100033 Telephone: 010-67590600 Facsimile: 010-67590601
CCB Financial Leasing Co., Ltd.	Address: 6/F, Block 4, No. 1, Chang'an Xingrong Centre, Naoshikou Street, Xicheng District, Beijing Postcode: 100031 Telephone: 010-67594013 Facsimile: 010-66275808 Website: www.ccbleasing.com
CCB Wealth Management Co., Ltd.	Address: 89-92/F, Shenzhen Ping An Financial Centre, No. 5033, Yitian Road, Futian District, Shenzhen Postcode: 518000 Telephone: 0755-88338101 Facsimile: 0755-88338085 Website: www.wealthccb.com
CCB Futures Co., Ltd.	Address: 5/F, CCB Tower, No. 99, Yincheng Road, Pudong New District, Shanghai Postcode: 200120 Telephone: 021-60635551 Facsimile: 021-60635520 Website: www.ccbfutures.com
CCB Life Insurance Co., Ltd.	Address: 29-33/F, part of 51/F, CCB Tower, No. 99, Yincheng Road, Pudong New District, Shanghai Postcode: 200120 Telephone: 021-80501300 Website: www.ccb-life.com.cn
CCB Consumer Finance Co., Ltd.	Address: Block 6, No. 33 Xitucheng Road, Haidian District, Beijing Postcode: 100088 Telephone: 010-59302100 Website: www.ccbcf.cn
CCB Trust Co., Ltd.	Address: 10/F, Block 4, No. 1, Chang'an Xingrong Centre, Naoshikou Street, Xicheng District, Beijing Postcode: 100031 Telephone: 010-67596584 Facsimile: 010-67596590 Website: www.ccbtrust.com.cn



BRANCHES AND SUBSIDIARIES

CCB Pension Management Co., Ltd.	Address: 11/F, A Section, Zhizhen Building, No. 7 Zhichun Road, Haidian District, Beijing Postcode: 100191 Telephone: 010-56731294 Facsimile: 010-56731203 Website: www.ccbpension.com
CCB Housing Services Co., Ltd.	Address: 15-16/F, Tower C, Financial Street Centre, No. 9A, Financial Street, Xicheng District, Beijing Postcode: 100033 Telephone: 010-86622714 Facsimile: 010-86622724
CCB Housing Rental Private Fund Management Co., Ltd.	Address: 8/F, Block 4, No. 1, Chang'an Xingrong Centre, Naoshikou Street, Xicheng District, Beijing Postcode: 100031 Telephone: 010-83778868 Facsimile: 010-83778800
CCB Engineering Consulting Co., Ltd.	Address: 7/F, No. 2 Building, No. 2A, Xisanhuan North Road, Haidian District, Beijing Postcode: 100081 Telephone: 010-60910300 Facsimile: 010-88512310 Website: www.ccbconsulting.com
CCB International (Holdings) Limited	Address: 12/F, CCB Tower, 3 Connaught Road Central, Central, Hong Kong Telephone: 00852-39118000 Facsimile: 00852-25301496 Website: www.ccbintl.com.hk
Sino-German Bausparkasse Co., Ltd.	Address: No. 19, Guizhou Road, Heping District, Tianjin Postcode: 300051 Telephone: 022-58086699 Facsimile: 022-58086808 Website: www.sgb.cn
China Construction Bank (Russia) Limited	Address: Lubyanskiy proezd, 11/1, building 1, 101000 Moscow, Russia Telephone: 007-495-6759800-140 Facsimile: 007-495-6759810
China Construction Bank (Europe) S.A.	Address: 16 Boulevard Royal, L-2449 Luxembourg, Luxembourg Telephone: 00352-28668800 Facsimile: 00352-28668801
Amsterdam Branch	Address: Claude Debussylaan 44, 1082MD Amsterdam, the Netherlands Telephone: 0031-0-205047899 Facsimile: 0031-0-205047898
Paris Branch	Address: 69 bd Haussmann, 75008 Paris, France Telephone: 0033-155309999 Facsimile: 0033-155309998
Barcelona Branch	Address: Avenida Diagonal, 640 5a planta D, 08017 Barcelona, Spain Telephone: 0034-935225000 Facsimile: 0034-935225078
Warsaw Branch	Address: Warsaw Financial Centre, ul. Emilii Plater 53, 00-113 Warsaw, Poland Telephone: 0048-22-1666621 Facsimile: 0048-22-1666600
Milan Branch	Address: Via Mike Bongiorno 13, 20124 Milan, Italy Telephone: 0039-02-32163000 Facsimile: 0039-02-32163092
Hungary Branch	Address: Szabadság tér 7, 1054 Budapest, Hungary Telephone: 0036-1-3366888 Facsimile: 0036-1-3366801



BRANCHES AND SUBSIDIARIES

China Construction Bank (Malaysia) Berhad	Address: Level 20, MenaraCCB, Quill6, No. 6, Leboh Ampang, Kuala Lumpur, Malaysia Postcode: 50100 Telephone: 0060-321601888 Facsimile: 0060-326303308
Penang Branch	<i>Address: Unit 4.03, Menara, Boustead Penang, No. 39, Jalan Sultan Ahmad Shah, Pulau Pinang, Malaysia Postcode: 10050 Telephone: 0060-321601888 Facsimile: 0060-326303308</i>
China Construction Bank (New Zealand) Limited	Address: Level 29, Vero Centre, 48 Shortland Street, Auckland 1010, New Zealand Telephone: 0064-9-3388200 Facsimile: 0064-9-3744275
China Construction Bank (Asia) Corporation Limited	Address: 28/F, CCB Tower, 3 Connaught Road Central, Central, Hong Kong Telephone: 00852-39186939 Facsimile: 00852-39186001 Website: www.asia.ccb.com
PT Bank China Construction Bank Indonesia Tbk	Address: Sahid Sudirman Centre 15th Floor, Jl. Jend. Sudirman Kav. 86, Jakarta Postcode: 10220 Telephone: 0062-2150821000 Facsimile: 0062-2150821010 Website: www.idn.ccb.com



APPENDIX: INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of China Construction Bank Corporation

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

OPINION

We have audited the consolidated financial statements of China Construction Bank Corporation (the "Bank") and its subsidiaries (the "Group") set out on pages 183 to 321, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and relevant notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

**KEY AUDIT MATTERS** (continued)

Key audit matter	How our audit addressed the key audit matter
Expected credit losses for loans and advances to customers measured at amortised cost	
The Group determines and measures expected credit losses for loans and advances to customers measured at amortised cost, in accordance with IFRS 9 <i>Financial Instruments</i>. Significant judgments and assumptions are involved in the measurement of expected credit losses, for example: • Significant increase in credit risk – Criteria for determining whether significant increase in credit risk has occurred are highly judgmental, and may have a significant impact on expected credit losses for loans and advances to customers measured at amortised cost with longer outstanding maturities; • Models and parameters – Complex models, numerous inputs and parameters, including probability of default, loss given default, exposure at default, and risk grouping, are used to measure expected credit losses, involving plenty of management judgments and assumptions; • Forward-looking information – Macroeconomic forecasts are developed, and impacts on expected credit losses are considered for multiple probability-weighted economic scenarios; • Whether financial assets are credit-impaired – The determination of credit impairment requires consideration of multiple factors, and measurement of expected credit losses depends on estimates of future cash flows. As at 31 December 2025, loans and advances to customers measured at amortised cost amounted to RMB25,629,143 million, accounting for 56.17% of total assets. Allowances for impairment losses of such loans and advances totalled RMB846,037 million. As the measurement of expected credit losses involves many significant judgments and assumptions, we consider expected credit losses for loans and advances to customers measured at amortised cost a key audit matter. <i>Relevant disclosures are included in Note 4(3), Note 4(26)(b), Note 25 and Note 62(1) to the consolidated financial statements.</i>	We evaluated and tested the design and operating effectiveness of key controls over credit granting, post approval credit management, loan credit rating system, collateral management as well as the management, implementation and monitoring of expected credit losses approach, including: • With support from our IT audit specialists, we evaluated and tested the data and processes used to determine expected credit losses, including loan business data, internal credit rating, macroeconomic assumptions, as well as the computational logic, inputs and system interfaces of the impairment assessment system; • We evaluated and tested key controls over the management, implementation and monitoring of expected credit losses approach, including approval of management system, important policies and models, key parameters and their adjustments, ongoing monitoring of model performance, model validation, monitoring and parameter calibration. We adopted a risk-based sampling approach in our loan review procedures, focusing on loans to borrowers in sectors exposed to significant macroeconomic volatility and to real estate obligators with documented credit deterioration, including bond defaults, covenant breaches and negative news coverage. We assessed the repayment capacity of borrowers and evaluated the Group's judgment in loan rating, taking into consideration post-lending inspection reports, financial information of borrowers, collateral valuation reports and other available information. With support from our modelling specialists, we evaluated and tested the expected credit loss model, key parameters, and management's significant judgments and assumptions, mainly focusing on the following aspects: • Taking into account macroeconomic changes, industry risk factors, and results of validation, reassessment and optimisation of ECL model, we assessed the reasonableness of ECL model methodology and related parameters, including probability of default, loss given default, exposure at default, risk grouping, and whether there had been a significant increase in credit risk; • We assessed the forward-looking information used by management to determine expected credit losses, including the forecasts of macroeconomic variables and the assumptions and weightings of multiple macroeconomic scenarios; • We performed back-testing and evaluated the reasonableness of management's determination of credit impairment. For credit-impaired loans and advances, we evaluated, on a sample basis, the reasonableness of management's estimates of future cash flows, focusing on the amount, timing and probability of expected cash flows, especially the expected recovery value from collateral. We inspected and evaluated the appropriateness of disclosures regarding expected credit losses in the consolidated financial statements.



INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS (continued)

Key audit matter	How our audit addressed the key audit matter
Consolidation assessment and disclosures of structured entities	
The Group holds interests in many different structured entities as a result of its business activities in asset management and asset securitisation. Such interests in structured entities include wealth management products ("WMPs"), asset management plans, trust plans, funds, and asset-backed securities. As at 31 December 2025, the balance of unconsolidated structured entities initiated by the Group totalled RMB6,510,950 million. The Group needs to comprehensively consider the power it possesses, its exposure to variable returns, and its ability to use its power to affect returns to determine whether it has control over such structured entities, and therefore whether it should include them in the scope of consolidation. The assessment of the Group's control over structured entities involves significant judgements on factors such as the purpose and design of structured entities, the Group's ability to direct relevant activities, direct and indirect beneficial interests and returns, performance fees, and benefits received or losses incurred from providing credit enhancement or liquidity support. Comprehensive analysis of these factors and concluding on whether the Group has control involve significant management judgements and estimates. In view of the materiality and the complexity of management judgements, we consider consolidation assessment and disclosures of structured entities a key audit matter. <i>Relevant disclosures are included in Note 4(1), Note 4(26)(f) and Note 28 to the consolidated financial statements.</i>	We evaluated and tested the design and operating effectiveness of key controls over the Group's assessment of whether it controls a structured entity. We evaluated the Group's analysis and conclusions on whether it controls structured entities based on the Group's analysis on its power over these structured entities, the magnitude and variability of the variable returns from its involvement with structured entities and linkage between these two matters on the basis of comprehensive consideration of all relevant facts and circumstances. We reviewed the contract documents on a sample basis to examine the purpose of the establishment of the structured entities, and checked the Group's analysis of rights and variability of the variable returns from its involvement with the structured entities, including whether the Group has legal or constructive obligations to the structured entities and whether the Group has provided any liquidity support or credit enhancement to the structured entities initiated by it. We reviewed and evaluated the appropriateness of disclosures regarding the consolidation of structured entities in the consolidated financial statements.
Valuation of financial instruments	
The fair values of the Group's financial instruments measured at fair value are determined either by active market quotes or valuation techniques. Valuation techniques are used to determine the fair value of financial instruments that do not have quoted prices in active markets, such as investments in unlisted equity, private fund investments and certain debt investments. These techniques may involve the use of significant unobservable inputs requiring assumptions and estimates based on management's subjective judgements. Valuation results can vary significantly under different valuation techniques or assumptions. As at 31 December 2025, the carrying amount of the Group's financial assets measured at fair value totalled RMB7,299,713 million, accounting for 16.00% of total assets. Given the higher uncertainty in valuation results, financial instruments whose fair value measurement involves significant unobservable inputs are categorised as level 3 within the fair value hierarchy. As at 31 December 2025, RMB181,080 million or 2.48% of financial assets measured at fair value were categorised as Level 3. Given the materiality of the balance and the significant judgements and estimates involved in fair value measurement of Level 3 financial instruments, we consider valuation of financial instruments a key audit matter. <i>Relevant disclosures are included in Note 4(3), Note 4(26)(c), Note 23, Note 25, Note 26 and Note 62(5) to the consolidated financial statements.</i>	We evaluated and tested the design and operating effectiveness of key controls over the valuation of financial instruments. We evaluated the appropriateness of valuation techniques, inputs, assumptions and comparable companies adopted by the Group, on a sample basis, including comparison with valuation techniques commonly used in the market by industry peers, validation of observable inputs using external market data, and comparison with valuation results calculated using various pricing sources. For financial instruments whose valuations were calculated using significant unobservable inputs, as in the case of investments in unlisted equity, private fund investments and certain debt investments, we involved our valuation specialists to assess the valuation models and parameters for such financial instruments, performed independent valuations on selected samples and compared the valuation results with those of the Group. We reviewed and evaluated the appropriateness of disclosures regarding the fair values of financial instruments in the consolidated financial statements.



OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Bank are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Bank are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Bank are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Bank either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is *Leung Shing Kit* (practising certificate number: *P04935*).

Ernst & Young

Certified Public Accountants

Hong Kong

27 March 2026



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025 (EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

	Note	2025	2024
Interest income		1,153,262	1,241,557
Interest expense		(580,488)	(651,675)
Net interest income	6	572,774	589,882
Fee and commission income		123,708	117,940
Fee and commission expense		(13,401)	(13,012)
Net fee and commission income	7	110,307	104,928
Net trading gain	8	3,933	4,765
Dividend income	9	5,969	6,576
Net gain arising from investment securities	10	17,068	10,878
Net gain on derecognition of financial assets measured at amortised cost	11	17,593	3,991
Other operating income, net:			
– Other operating income		34,470	26,675
– Other operating expense		(21,243)	(19,125)
Other operating income, net	12	13,227	7,550
Operating income		740,871	728,570
Operating expenses	13	(227,225)	(223,779)
		513,646	504,791
Credit impairment losses	14	(133,317)	(120,700)
Other impairment losses	15	(42)	(298)
Share of profits of associates and joint ventures		336	584
Profit before tax		380,623	384,377
Income tax expense	18	(40,833)	(48,095)
Net profit		339,790	336,282

The notes on pages 191 to 321 form part of these financial statements.



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025 (EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

	Note	2025	2024
Other comprehensive income:			
(1) Other comprehensive income that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		279	(93)
Fair value changes of equity instruments designated as measured at fair value through other comprehensive income		217	9,152
Others		16	74
Subtotal		512	9,133
(2) Other comprehensive income that may be reclassified subsequently to profit or loss			
Fair value changes of debt instruments measured at fair value through other comprehensive income		(30,676)	36,827
Allowances for credit losses of debt instruments measured at fair value through other comprehensive income		1,132	(1,241)
Reclassification adjustments included in profit or loss due to disposals		(8,580)	(2,997)
Net (loss)/gain on cash flow hedges		(72)	100
Exchange difference on translating foreign operations		(3,932)	1,273
Others		4,835	(10,270)
Subtotal		(37,293)	23,692
Other comprehensive income for the year, net of tax		(36,781)	32,825
Total comprehensive income for the year		303,009	369,107
Net profit attributable to:			
Equity shareholders of the Bank		338,906	335,577
Non-controlling interests		884	705
		339,790	336,282
Total comprehensive income attributable to:			
Equity shareholders of the Bank		301,675	369,504
Non-controlling interests		1,334	(397)
		303,009	369,107
Basic and diluted earnings per share (in RMB yuan)	19	1.30	1.31

The notes on pages 191 to 321 form part of these financial statements.



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025 (EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

	Note	31 December 2025	31 December 2024
Assets:			
Cash and deposits with central banks	20	3,054,199	2,571,361
Deposits with banks and non-bank financial institutions	21	190,622	154,532
Precious metals		190,225	138,433
Placements with banks and non-bank financial institutions	22	819,823	672,875
Positive fair value of derivatives	23	49,300	108,053
Financial assets held under resale agreements	24	856,818	622,559
Loans and advances to customers	25	26,926,790	25,040,400
Financial investments	26		
Financial assets measured at fair value through profit or loss		874,994	612,504
Financial assets measured at amortised cost		7,739,652	7,429,723
Financial assets measured at fair value through other comprehensive income		4,282,706	2,641,736
Long-term equity investments	27	27,781	23,560
Fixed assets	29	165,235	165,116
Construction in progress	30	6,002	4,319
Land use rights	31	11,548	12,417
Intangible assets	32	5,611	5,830
Goodwill	33	2,416	2,522
Deferred tax assets	34	139,747	120,485
Other assets	35	288,349	244,724
Total assets		45,631,818	40,571,149
Liabilities:			
Borrowings from central banks	37	1,096,307	942,594
Deposits from banks and non-bank financial institutions	38	4,287,217	2,835,885
Placements from banks and non-bank financial institutions	39	499,957	479,881
Financial liabilities measured at fair value through profit or loss	40	324,230	240,593
Negative fair value of derivatives	23	89,804	93,990
Financial assets sold under repurchase agreements	41	1,490,932	739,918
Deposits from customers	42	30,835,574	28,713,870
Accrued staff costs	43	70,004	60,661
Taxes payable	44	30,896	40,388
Provisions	45	25,806	38,322
Debt securities issued	46	2,593,524	2,386,595
Deferred tax liabilities	34	2,576	1,525
Other liabilities	47	598,914	652,962
Total liabilities		41,945,741	37,227,184

The notes on pages 191 to 321 form part of these financial statements.



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025 (EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

	Note	31 December 2025	31 December 2024
Equity:			
Share capital	48	261,600	250,011
Other equity instruments	49		
Preference shares		59,977	59,977
Perpetual bonds		140,000	100,000
Capital reserve	50	229,113	135,736
Other comprehensive income	51	20,566	57,901
Surplus reserve	52	434,687	402,196
General reserve	53	587,051	534,591
Retained earnings	54	1,930,417	1,781,715
Total equity attributable to equity shareholders of the Bank		3,663,411	3,322,127
Non-controlling interests		22,666	21,838
Total equity		3,686,077	3,343,965
Total liabilities and equity		45,631,818	40,571,149

Approved and authorised for issue by the Board of Directors on 27 March 2026.

Zhang Jinliang

Chairman and executive director

Zhang Yi

Vice chairman, executive director and president

Yin Pengfei

Person in charge of finance & accounting department

The notes on pages 191 to 321 form part of these financial statements.



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025 (EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

	Attributable to equity shareholders of the Bank									Total equity
	Share capital	Preference shares	Perpetual bonds	Capital reserve	Other comprehensive income	Surplus reserve	General reserve	Retained earnings	Non-controlling interests	
As at 1 January 2025	250,011	59,977	100,000	135,736	57,901	402,196	534,591	1,781,715	21,838	3,343,965
Movements during the year	11,589	-	40,000	93,377	(37,335)	32,491	52,460	148,702	828	342,112
(1) Total comprehensive income for the year	-	-	-	-	(37,231)	-	-	338,906	1,334	303,009
(2) Changes in share capital										
i Capital injection by shareholders	11,589	-	-	93,380	-	-	-	-	59	105,028
ii Capital injection by other equity instruments holders	-	-	40,000	(3)	-	-	-	-	-	39,997
iii Increase in subsidiaries	-	-	-	-	-	-	-	-	141	141
iv Decrease in subsidiaries	-	-	-	-	-	-	-	-	(485)	(485)
(3) Profit distribution										
i Appropriation to surplus reserve	-	-	-	-	-	32,491	-	(32,491)	-	-
ii Appropriation to general reserve	-	-	-	-	-	-	52,290	(52,290)	-	-
iii Dividends to ordinary shareholders	-	-	-	-	-	-	-	(100,107)	-	(100,107)
iv Dividends to other equity instruments holders	-	-	-	-	-	-	-	(5,420)	-	(5,420)
v Dividends to non-controlling interests holders	-	-	-	-	-	-	-	-	(221)	(221)
(4) Internal transfer within owner's equity										
i Other comprehensive income transferred to retained earnings	-	-	-	-	(104)	-	-	104	-	-
(5) Others	-	-	-	-	-	-	170	-	-	170
As at 31 December 2025	261,600	59,977	140,000	229,113	20,566	434,687	587,051	1,930,417	22,666	3,686,077

The notes on pages 191 to 321 form part of these financial statements.



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024 (EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

	Attributable to equity shareholders of the Bank									Total equity
	Share capital	Preference shares	Perpetual bonds	Capital reserve	Other comprehensive income	Surplus reserve	General reserve	Retained earnings	Non-controlling interests	
As at 1 January 2024	250,011	59,977	139,991	135,619	23,981	369,906	496,255	1,674,405	21,929	3,172,074
Movements during the year	–	–	(39,991)	117	33,920	32,290	38,336	107,310	(91)	171,891
(1) Total comprehensive income for the year	–	–	–	–	33,927	–	–	335,577	(397)	369,107
(2) Changes in share capital										
i Capital injection by shareholders	–	–	–	–	–	–	–	–	169	169
ii Capital deduction by other equity instruments holders	–	–	(39,991)	(11)	–	–	–	–	–	(40,002)
iii Increase in subsidiaries	–	–	–	–	–	–	–	–	596	596
iv Change in shareholdings in subsidiaries	–	–	–	98	–	–	–	–	(180)	(82)
v Decrease in subsidiaries	–	–	–	–	–	–	–	–	(38)	(38)
(3) Profit distribution										
i Appropriation to surplus reserve	–	–	–	–	–	32,290	–	(32,290)	–	–
ii Appropriation to general reserve	–	–	–	–	–	–	39,620	(39,620)	–	–
iii Dividends to ordinary shareholders	–	–	–	–	–	–	–	(149,256)	–	(149,256)
iv Dividends to other equity instruments holders	–	–	–	–	–	–	–	(7,108)	–	(7,108)
v Dividends to non-controlling interests holders	–	–	–	–	–	–	–	–	(241)	(241)
(4) Internal transfer within owner's equity										
i Other comprehensive income transferred to retained earnings	–	–	–	–	(7)	–	–	7	–	–
(5) Others	–	–	–	30	–	–	(1,284)	–	–	(1,254)
As at 31 December 2024	250,011	59,977	100,000	135,736	57,901	402,196	534,591	1,781,715	21,838	3,343,965

The notes on pages 191 to 321 form part of these financial statements.



CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025 (EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

	Note	2025	2024
Cash flows from operating activities:			
Profit before tax		380,623	384,377
Adjustments for:			
– Credit impairment losses	14	133,317	120,700
– Other impairment losses	15	42	298
– Depreciation and amortisation		29,302	30,230
– Interest income from impaired financial assets		(3,580)	(3,417)
– Revaluation loss/(gain) on financial instruments measured at fair value through profit or loss		4,245	(5,351)
– Share of profits of associates and joint ventures		(336)	(584)
– Dividend income	9	(5,969)	(6,576)
– Unrealised foreign exchange loss/(gain)		15,993	(14,580)
– Interest expense on bonds issued		32,048	31,212
– Interest income from investment securities and net income from disposal		(322,855)	(300,558)
– Net gain on disposal of fixed assets and other long-term assets		(676)	(491)
		262,154	235,260
Changes in operating assets:			
Net (increase)/decrease in deposits with central banks and with banks and non-bank financial institutions		(49,091)	208,944
Net increase in placements with banks and non-bank financial institutions		(128,203)	(70,845)
Net (increase)/decrease in financial assets held under resale agreements		(234,973)	356,643
Net increase in loans and advances to customers		(2,074,625)	(2,050,108)
Net increase in financial assets held for trading purposes		(188,719)	(4,037)
Net increase in other operating assets		(83,335)	(137,000)
		(2,758,946)	(1,696,403)
Changes in operating liabilities:			
Net increase/(decrease) in borrowings from central banks		156,278	(212,696)
Net increase in deposits from customers and from banks and non-bank financial institutions		3,643,671	1,019,759
Net increase in placements from banks and non-bank financial institutions		29,550	64,669
Net increase/(decrease) in financial liabilities measured at fair value through profit or loss		84,583	(11,914)
Net increase in financial assets sold under repurchase agreements		749,419	503,566
Net increase in certificates of deposit issued		50,286	306,655
Income tax paid		(62,767)	(84,832)
Net (decrease)/increase in other operating liabilities		(52,986)	213,959
		4,598,034	1,799,166
Net cash from operating activities		2,101,242	338,023

The notes on pages 191 to 321 form part of these financial statements.



CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025 (EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

	Note	2025	2024
Cash flows from investing activities:			
Proceeds from sales and redemption of financial investments		3,350,652	2,684,393
Interest and dividends received		324,433	302,680
Proceeds from disposal of subsidiaries, associates and joint ventures		623	1,457
Proceeds from disposal of fixed assets and other long-term assets		4,029	5,547
Purchase of investment securities		(5,416,640)	(3,654,799)
Acquisition of subsidiaries, associates and joint ventures		(4,359)	(2,738)
Purchase of fixed assets and other long-term assets		(23,564)	(29,172)
Net cash used in investing activities		(1,764,826)	(692,632)
Cash flows from financing activities:			
Issue of shares		104,969	–
Issue of bonds		283,873	273,078
Proceeds from issuance of other equity instruments		39,997	–
Cash received from subsidiaries' capital injection by non-controlling interests holders		70	765
Dividends paid		(108,178)	(107,353)
Repayment of borrowings		(118,569)	(96,491)
Interest paid on bonds issued		(31,096)	(29,592)
Cash payment for redemption of other equity instruments		–	(40,000)
Cash payment for other financing activities		(7,276)	(7,605)
Net cash from/(used in) financing activities		163,790	(7,198)
Effect of exchange rate changes on cash and cash equivalents		(7,810)	5,792
Net increase/(decrease) in cash and cash equivalents		492,396	(356,015)
Cash and cash equivalents as at 1 January	55	569,448	925,463
Cash and cash equivalents as at 31 December	55	1,061,844	569,448
Cash flows from operating activities include:			
Interest received, excluding interest income from investment securities		845,797	949,893
Interest paid, excluding interest expense on bonds issued		(563,432)	(565,911)

The notes on pages 191 to 321 form part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

1 Company information

The history of China Construction Bank Corporation (the "Bank") dates back to 1954, which was previously known as the People's Construction Bank of China when it was established. It was responsible for the management and distribution of government funds for construction and infrastructure related projects under the state economic plan. The People's Construction Bank of China gradually evolved into a comprehensive commercial bank following the takeover of the Bank's function of granting policy loans by China Development Bank in 1994. In 1996, the People's Construction Bank of China changed its name to China Construction Bank. On 17 September 2004, China Construction Bank Corporation was established in the People's Republic of China (the "PRC") as a result of a separation procedure undertaken by its predecessor, China Construction Bank (the "former CCB"). In October 2005 and September 2007, the Bank's H shares and A shares were listed on the Hong Kong Stock Exchange (Stock Code: 00939) and the Shanghai Stock Exchange (Stock Code: 601939), successively. As at 31 December 2025, the Bank issued the total ordinary share capital of RMB261,600 million, with a par value of RMB1.00 per share.

In 2025, the Bank issued 11,589 million ordinary A shares to specific investors, with a par value of RMB1 per share. Total proceeds from this offering stood at RMB105,000 million, with net proceeds of RMB104,969 million after deducting RMB31 million issuance expenses.

The Bank obtained its finance permit No.B0004H111000001 from the China Banking and Insurance Regulatory Commission ("CBIRC") (In 2023, the regulator was renamed the National Financial Regulatory Administration, hereinafter referred to as the "NFRA") of the PRC. The Bank obtained its unified social credit code No.911100001000044477 from the Beijing Municipal Administration for Market Regulation. The registered office of the Bank is located at No.25, Finance Street, Xicheng District, Beijing.

The principal activities of the Bank and its subsidiaries (collectively the "Group") are the provision of corporate finance business, personal finance business, treasury and asset management business and others. The Group mainly operates in the Chinese mainland and also has a number of overseas branches and subsidiaries. For the purpose of these financial statements, the Chinese mainland refers to the PRC excluding the Hong Kong Special Administrative Region of the PRC ("Hong Kong"), the Macau Special Administrative Region of the PRC ("Macau") and Taiwan. Overseas refers to countries and regions other than the Chinese mainland.

The Bank is mainly regulated by the NFRA, an institution directly under the State Council of the PRC (the "State Council"). The overseas financial institutions of the Bank are required to comply with the regulatory requirements of their respective local jurisdictions. Central Huijin Investment Ltd. ("Huijin"), a wholly-owned subsidiary of China Investment Corporation ("CIC"), exercises the contributor's rights and obligations in key state-owned financial institutions up to its contribution amount on behalf of the State.

These financial statements were authorised for issue by the Board of Directors of the Bank on 27 March 2026.

2 Basis of preparation

The Group uses the calendar year as the accounting year, which is from 1 January to 31 December.

These financial statements comprise the Bank and its subsidiaries and the Group's interests in associates and joint ventures.

(1) Basis of measurement

These financial statements have been prepared on the historical cost basis except that: (i) financial instruments at fair value through profit or loss are measured at fair value; (ii) derivatives are measured at fair value; (iii) financial assets measured at fair value through other comprehensive income are measured at fair value; (iv) non-current assets or disposal groups held for sale are measured at the lower of carrying amount and fair value less costs to sell; and (v) certain non-financial assets are measured at revalued amounts. The measurement basis of major assets and liabilities is further explained in Note 4.

(2) Functional and presentation currency

These financial statements are presented in RMB, unless otherwise stated, rounded to the nearest million. RMB is the functional currency of the domestic operations of the Group. The functional currencies of overseas operations are determined in accordance with the primary economic environment in which they operate, and are translated into RMB for the preparation of these financial statements according to Note 4(2)(b).

(3) Use of estimates and judgements

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

The estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Judgements that have a significant impact on the financial statements and estimates that are very likely to result in material adjustments in the subsequent period are discussed in Note 4(26).



NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

3 Statement of Compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). These financial statements also comply with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622), and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Group has adopted the following amendments for the current year.

(1)	Amendments to IAS 21	<i>Lack of Exchangeability</i>

The adoption of the above amendments does not have a significant impact on the Group's consolidated financial statements.

Except for the matters described above, the material accounting policies adopted by the Group for the 2025 financial statements are consistent with those applied in the preparation of the Group's annual financial statements for the year ended 31 December 2024.

4 Material accounting policies and significant accounting estimates

(1) Consolidated financial statements

(a) Business combinations

The consideration transferred by the acquirer for the acquisition and the identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition by acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill in accordance with the accounting policies set out in Note 4(10). If the consideration is less than the fair value of the identifiable net assets of the acquiree in the case of a bargain purchase, the difference is recognised in profit or loss.

Acquisition date mentioned above is the date on which the Group effectively obtains control of the acquiree.

(b) Subsidiaries and non-controlling interests

Subsidiaries are all entities (including structured entities) over which the Bank has control. The Bank controls an entity when the Bank has the power over the entity, and is exposed to, or has rights to variable returns from its involvement with the entity, and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Bank. They are deconsolidated from the date that control ceases.

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

For the separate financial statements of the Bank, investments in subsidiaries are accounted for at cost. At initial recognition, investment in subsidiaries is measured at the cost of acquisition determined at the acquisition date when the subsidiaries are acquired through business combination or when the capital is injected into the subsidiaries set up by the Group. Impairment losses on investments in subsidiaries are accounted for in accordance with the accounting policies as set out in Note 4(13).

The financial results and performance of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. When preparing the consolidated financial statements, the Bank makes necessary adjustments on the accounting period and accounting policies of subsidiaries to comply with those of the Bank.

Intragroup balances and transactions, and any profits or losses arising from intragroup transactions are eliminated in full in preparing the consolidated financial statements.



NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

4 Material accounting policies and significant accounting estimates (continued)**(1) Consolidated financial statements (continued)****(b) Subsidiaries and non-controlling interests (continued)**

The portion of a subsidiary's net assets that is attributable to equity interests that are not owned by the Bank, whether directly or indirectly through subsidiaries, is treated as non-controlling interests and presented as "non-controlling interests" in the consolidated statement of financial position within total equity. The portion of net profit or loss and other comprehensive income of subsidiaries for the year attributable to non-controlling interests is separately presented in the consolidated statement of comprehensive income as a component of the Group's net profit and other comprehensive income.

(c) Associates and joint arrangements

An associate is an enterprise in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policy decisions.

Joint arrangement is an arrangement of which two or more parties have joint control. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement. Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing the control. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures.

Investments in associates or joint ventures are accounted for using the equity method in the consolidated financial statements and are initially recorded at acquisition cost, and adjusted thereafter for the post acquisition change in the Group's share of net assets of the associates or joint ventures. The Group's share of the post-acquisition, post-tax results of the associates or joint ventures for the year is recognised in the consolidated statement of comprehensive income. The Group's interest in associates or joint ventures is included from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

Profits and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interest in the associates or joint ventures.

The Group discontinues recognising its share of net losses of the associates or joint ventures after the carrying amount of investments in associates and joint ventures together with any long-term interests that in substance form part of the Group's net investment in the associates or joint ventures are reduced to zero, except to the extent that the Group has incurred legal or constructive obligations to assume additional losses. Where the associates or joint ventures realise net profits subsequently, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

(2) Translation of foreign currencies**(a) Translation of foreign currency transactions**

Foreign currency transactions are, on initial recognition, translated into the functional currency at the spot exchange rates at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated into the functional currency at the spot exchange rates at that date. The resulting exchange differences are recognised in profit or loss. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated into functional currency using the spot exchange rates at the transaction dates. Non-monetary items denominated in foreign currencies that are measured at fair value are translated using the spot exchange rates at the dates the fair values are determined; exchange differences are recognised in profit or loss, except for the differences arising from the translation of equity instruments designated at fair value through other comprehensive income, which are recognised in other comprehensive income.

(b) Translation of financial statements denominated in foreign currencies

Foreign currency financial statements of overseas operations are translated into RMB for the preparation of consolidated financial statements. At the end of each reporting period, the assets and liabilities in the financial statements denominated in foreign currencies are translated into RMB at the spot exchange rates ruling at that date. All items within equity except for *retained earnings* are translated at the exchange rates ruling at the dates of the initial transactions. Income and expenses in the statement of comprehensive income are translated at the weighted average exchange rates for the year. Foreign exchange differences arising from foreign operations are recognised in "other comprehensive income" in equity in the statement of financial position.

The impact of changes in exchange rates on cash and cash equivalents is presented separately in the cash flow statement.



NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

4 Material accounting policies and significant accounting estimates (continued)

(3) Financial instruments

(a) Classification

The Group classifies financial instruments into different categories based on the business model used to manage financial assets and contractual cash flow characteristics or the purposes for which the liabilities were incurred. The categories are: financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income ("FVOCI"), financial assets and liabilities measured at fair value through profit or loss ("FVPL"), and other financial liabilities.

The Group's business model for managing financial assets refers to how the Group manages its financial assets in order to generate cash flows. That is, the business model determines whether cash flows of financial assets managed by the Group will result from collecting contractual cash flows, selling financial assets or both. Factors considered by the Group in determining the business model for a group of financial assets include past experience on how the cash flows for these assets were collected, how the performance of those assets is evaluated and reported to key management personnel, how risks are assessed and managed and how managers of the business are compensated.

The characteristics of the contractual cash flows of financial assets refer to the cash flow attributes agreed in the contract of financial instruments that reflect the economic characteristics of the underlying financial assets, that is, the contractual cash flows generated by the underlying financial assets on a specific date solely payments of principal and interest on the principal amount outstanding. The principal is the fair value of the financial asset at initial recognition, but its amount may change over the life of the financial asset (for example, if there are repayments of principal); interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time, and for other basic lending risks, and costs, as well as a profit margin.

Financial assets measured at amortised cost

Financial assets are classified as financial assets measured at amortised cost if both of the following conditions are met and they are not designated as FVPL: (i) the assets are managed within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value through other comprehensive income (FVOCI)

Financial assets measured at FVOCI include debt instruments measured at FVOCI and equity instrument designated as measured at FVOCI.

Financial assets are classified as financial assets measured at FVOCI if both of the following conditions are met and they are not designated as FVPL: (i) the assets are managed within a business model whose objective is achieved by collecting contractual cash flows and selling financial assets; and (ii) the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

At inception, the Group may designate non-trading equity instruments as financial assets measured at FVOCI, and recognise dividend income in accordance with the relevant policies specified in Note 4(20)(c). Once the designation is made, it cannot be revoked.

Financial assets and liabilities measured at fair value through profit or loss (FVPL)

The Group classifies the financial assets other than financial assets measured at amortised cost and FVOCI as financial assets measured at FVPL.

Financial assets measured at FVPL include those held for trading purposes, those designated as measured at FVPL, those could not pass the solely payments of principal and interest ("SPPI") test and the equity investments which are not designated as measured at FVOCI.

Financial liabilities measured at FVPL include negative fair value of derivatives, and those designated as measured at FVPL.

Financial assets or financial liabilities are classified as held for trading if they are: (i) acquired or incurred principally for the purpose of selling or repurchasing it in the near term; (ii) part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or (iii) a derivative (except for a derivative that is a designated and effective hedging instruments or a financial guarantee contract).

At initial recognition, the Group may designate financial assets as financial assets measured at FVPL if the designation can eliminate or significantly reduce accounting mismatch. Once the designation is made, it cannot be revoked.



NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

4 Material accounting policies and significant accounting estimates (continued)**(3) Financial instruments (continued)****(a) Classification (continued)***Financial assets and liabilities measured at fair value through profit or loss (FVPL) (continued)*

Financial liabilities are designated as measured at FVPL upon initial recognition when: (i) the designation can eliminate or significantly reduce accounting mismatch; or (ii) the formal written file of the Group's risk management or investment strategy have clearly stated that the financial liability portfolio, or the portfolio of financial assets and financial liabilities, are managed, evaluated and reported to key management personnel on the basis of fair value. Once the designation is made, it cannot be revoked.

Other financial liabilities

Other financial liabilities are financial liabilities other than those measured at FVPL and mainly comprise borrowings from central banks, deposits and placements from banks and non-bank financial institutions, financial assets sold under repurchase agreements, deposits from customers and debt securities issued.

(b) Derivatives and hedge accounting

The Group uses derivatives to hedge its exposure to foreign exchange and interest rate risks. Derivatives are recognised at fair value at the trade date upon initial recognition, and subsequently measured at fair value. The positive fair value is recognised as an asset while the negative fair value is recognised as a liability.

The method of recognising the resulting fair value gain or loss depends on whether the derivative is designated and qualified as a hedging instrument, and if so, the nature of the item being hedged. For derivatives not designated or qualified as hedging instruments, including those that are intended to provide effective economic hedges of specific interest rate and foreign exchange risks, but not qualified for hedge accounting, changes in fair value of these derivatives are recognised in profit or loss.

The Group documents, at inception, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items. The Group assesses the hedge effectiveness both at hedge inception and on an ongoing basis.

The Group discontinues hedge accounting prospectively if the hedging instrument expires or is sold, terminated or exercised without rollover or replacement (as part of the hedging strategy), or when the hedging relationship ceases to meet the updated risk management objective or when the hedge no longer meets other qualifying criteria for applying hedge accounting.

If a hedging relationship ceases to meet the hedge effectiveness requirement due to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group readjusts the hedge ratio of the hedging relationship so that it meets the qualifying criteria.

(i) Fair value hedge

Fair value hedge is a hedge of the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect profit or loss.

Changes in fair value of hedging instruments qualifying as fair value hedges are recorded in profit or loss, together with changes in fair value of the hedged item attributable to the hedged risk. The net difference is recognised as ineffectiveness in profit or loss.

For fair value hedges relating to debt instruments measured at amortised cost, the adjustment made to the carrying amount of the hedged item is amortised through profit or loss over the remaining term of the hedge using the effective interest method. Amortisation may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for hedging gains and losses. In cases where a hedged item is a debt instrument measured at fair value through other comprehensive income, the cumulative hedging gain or loss on the hedged item is amortised in the same manner and recognised in profit or loss, but without adjusting the carrying amount of the hedged item. If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.



NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

4 Material accounting policies and significant accounting estimates (continued)

(3) Financial instruments (continued)

(b) Derivatives and hedge accounting (continued)

(ii) Cash flow hedge

Cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction, and could ultimately affect the profit or loss.

For cash flow hedges, the effective portion of the change in the fair value of the hedging instrument is recognised in other comprehensive income. The ineffective portion of the change in the fair value of the hedging instrument is recognised directly in profit or loss.

If a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a hedged forecast transaction for a non-financial asset or a non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the entity shall remove that amount from the cash flow hedge reserve and include it directly in the initial cost or other carrying amount of the asset or the liability. For cash flow hedges other than these, that amount shall be reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss.

When a hedging instrument expires or is sold, or the hedge designation is revoked or when a hedge no longer meets the criteria for hedge accounting, if the hedged future cash flows are still expected to occur, the amount previously recognised in other comprehensive income shall remain until the forecast transaction ultimately occurs or until the hedged expected cash flows affect profit or loss, before being transferred out. If the hedged future cash flows are no longer expected to occur, the amount of accumulated cash flow hedge reserves shall be reclassified from other comprehensive income to profit or loss.

(c) Embedded derivatives

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host. If a hybrid contract contains a host that is a financial asset, the embedded derivative shall not be separated from the host and shall be classified and measured as a whole.

If a hybrid contract contains a host that is not a financial asset, an embedded derivative shall be separated from the host and accounted for as a derivative if, and only if: (i) the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host; (ii) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and (iii) the hybrid contract is not measured at FVPL. The Group could choose to measure the separated derivative at FVPL, or designate the entire hybrid contract as at FVPL.

(d) Recognition and derecognition

All financial assets and financial liabilities are recognised in the statement of financial position, when and only when, the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset if the part being considered for derecognition meets one of the following conditions: (i) the contractual rights to receive the cash flows from the financial asset expire; (ii) the contractual rights to receive the cash flows of the financial asset have been transferred and the Group transfers substantially all the risks and rewards of ownership of the financial asset; or the Group has neither transferred nor retained substantially all the risks and rewards of ownership of the transferred financial asset, but has given up control of the financial asset; or (iii) the Group retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to the eventual recipient in an agreement meets all the conditions of transfer of cash flows and transfers substantially all the risks and rewards of ownership of the financial asset or the Group has neither transferred nor retained substantially all the risks and rewards of ownership of the transferred financial assets, but has given up control of the financial asset.

When a financial asset is derecognised, the difference between the carrying amount of the financial asset derecognised and the consideration received, as well as the cumulative changes in fair value previously recognised in equity, is recognised in profit or loss.



NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

4 Material accounting policies and significant accounting estimates (continued)**(3) Financial instruments (continued)****(d) Recognition and derecognition (continued)**

When a financial asset is transferred, and if the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, but retains control, the Group continues to recognise the financial asset to the extent of its continuing involvement in the financial asset.

The financial liability is derecognised only when: (i) the underlying present obligation specified in the contracts is discharged, cancelled or expired; or (ii) an agreement between the Group and an existing lender to replace the original financial liability with a new financial liability with substantially different terms, or a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

A regular way purchase or sale of financial assets is recognised and derecognised using trade date accounting. A 'regular way purchase or sale' refers to the purchase or sale of a financial asset where the terms of the contract necessitate delivery of the asset within the time frame typically established by regulations or convention in the relevant marketplace. The trade date is the date that the Group commits itself to purchase or sell a financial asset.

(e) Measurement

Financial instruments are measured initially at fair value plus or minus, in the case of a financial instrument not measured at FVPL, transaction costs that are directly attributable to the acquisition or issue of the instrument. Transaction costs for financial instruments measured at FVPL are expensed immediately.

Subsequent to initial recognition, the Group measures different categories of financial assets at amortised cost, FVOCI or FVPL respectively. Financial liabilities other than those measured at FVPL are measured at amortised cost using the effective interest method.

Financial assets measured at FVPL

Gains and losses from changes in fair value of financial assets measured at FVPL are recognised in profit or loss.

Financial liabilities measured at FVPL

Financial liabilities measured at FVPL are measured at fair value, where the gains or losses arose are recognised in profit or loss. For the financial liabilities designated as measured at FVPL, the gains or losses are accounted for in accordance with the following requirements: (i) the amount of changes in fair value of the financial liabilities arising from changes in the Group's own credit risk should be included in other comprehensive income; (ii) other changes in fair value of the financial liabilities are recognised in profit or loss. If the treatment of the impact of changes in the financial liabilities' own credit risk will create or enlarge the accounting mismatch in profit or loss in accordance with (i), the Group shall recognise the entire gain or loss of the financial liabilities (including the amount of the impact of changes in its own credit risk) in profit or loss. When the financial liabilities designated as measured at FVPL is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from other comprehensive income to retained earnings.

Financial assets measured at FVOCI

Impairment losses, foreign exchange differences, and interest income calculated using the effective interest method of debt instruments measured at FVOCI are recognised in profit or loss. All other fair value changes are recognised in other comprehensive income. Upon derecognition of these debt instruments, the cumulative gains or losses previously recognised in other comprehensive income are reclassified from other comprehensive income to profit or loss.

The Group designates certain non-trading equity instruments as financial assets measured at FVOCI, and only recognises dividend income (excluding dividends explicitly recognised as a recovery of investment cost) in profit or loss. Subsequent changes in fair value are recognised in other comprehensive income, with no need for impairment provisions. Upon derecognition of these financial assets, the cumulative gains or losses previously recognised in other comprehensive income are reclassified from other comprehensive income to retained earnings.



NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

4 Material accounting policies and significant accounting estimates (continued)**(3) Financial instruments** (continued)**(e) Measurement** (continued)*Financial assets measured at amortised cost*

The amortised cost of a financial asset should be measured at the amount initially recognised after the following adjustments: (i) deducting the repaid principal; (ii) adding or subtracting the cumulative amortisation using the effective interest method of any difference between that amount initially recognised and the maturity amount; (iii) the loss provision for the accumulated accrual.

For financial assets measured at amortised cost, a gain or loss is recognised in profit or loss when the financial asset is derecognised or impaired, or amortised.

Effective interest rate

The effective interest rate is the rate that exactly discount estimated future cash payments or receipts through the expected life of the financial asset to the carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance). The calculation does not consider expected credit losses but includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate.

The Group determines interest income based on the gross carrying amount of financial assets multiplied by the effective interest rate, except (i) for purchased or originated credit impaired financial assets, the interest income shall be determined by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition; (ii) for financial assets that are not purchased or originated credit impaired financial assets but subsequently have become credit impaired financial assets, the interest income shall be determined by applying the effective interest rate to the amortised cost of the financial asset in subsequent reporting periods. If the financial instrument is no longer credit-impaired due to the improvement of its credit risk in the subsequent period, and this improvement can be objectively related to an event that occurs after the application of the above provisions, interest income should be recalculated using the effective interest rate multiplied by the gross carrying amount of the financial assets.

Credit-adjusted effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial asset to the amortised cost of a financial asset that is a purchased or originated credit-impaired financial asset. When calculating the credit-adjusted effective interest rate, an entity shall estimate the expected cash flows by considering all contractual terms of the financial asset (for example, prepayment, extension, call and similar options) and initial expected credit losses.

(f) Impairment

At the end of the reporting period, the Group performs impairment assessment and recognises loss provisions based on expected credit loss on debt instruments measured at amortised cost and FVOCI, as well as loan commitments and financial guarantee contracts.

The expected credit loss refers to the weighted average of the credit losses of financial instruments that are weighted by the risk of default. Credit loss refers to the difference between all contractual cash flows receivable in accordance with the contract and all cash flows expected to be received discounted at the original effective interest rate by the Group, that is, the present value of all cash shortages. Among them, credit-impaired financial assets that have been purchased or originated by the Group shall be discounted according to the credit-adjusted effective interest rate of the financial assets.

The Group's method of measuring expected credit losses of financial instruments reflects the following elements: (i) an unbiased and probability-weighted average amount that is determined by evaluating a range of possible outcomes; (ii) the time value of money; (iii) the reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions, and forecasts of future economic conditions.



NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

4 Material accounting policies and significant accounting estimates (continued)**(3) Financial instruments (continued)****(f) Impairment (continued)**

At the end of each reporting period, the Group measures the expected credit losses ("ECL") of financial instruments at different stages and recognises its loss provision and its changes in the following cases: the financial instrument is in Stage 1 if the credit risk of the financial instrument has not increased significantly since the initial recognition, and the Group measures its loss provision based on the amount of expected credit loss of the financial instrument in the next 12 months; the financial instrument is in Stage 2 if the credit risk of the financial instrument has increased significantly since the initial recognition but are not yet credit-impaired and the Group measures its loss provision based on the amount of lifetime expected credit loss of the financial instrument; the financial instrument is in Stage 3 if the financial instrument has been credit impaired, and the Group measures its loss provision based on the amount of lifetime expected credit loss of the financial instrument. Regardless of whether the Group's assessment of credit losses is based on a single financial instrument or a combination of financial instruments, the increase or reversal of the loss provision resulting therefrom should be included in profit or loss as an impairment loss or gain.

For debt instruments measured at FVOCI, the Group recognises the allowance of impairment in other comprehensive income and impairment losses or gains in profit or loss, which should not change the book value of the financial assets set out in the statement of financial position.

For loss provision measured at the amount equivalent to the lifetime expected credit loss of the financial instrument previously, if, at the end of the current reporting period, the financial instrument is no longer having significant increase in credit risk since the initial recognition, the Group measures its loss provision based on the amount of its expected credit losses for the next 12 months, and recognises the resulting reversal of the loss provision as an impairment gain in profit or loss.

For financial assets that have been considered as purchased or originated credit impaired, the Group only recognises cumulative changes in lifetime expected credit losses after initial recognition at the end of the reporting period as loss provision. At the end of each reporting period, the Group recognises the amount of the change in lifetime expected credit losses as an impairment loss or gain in profit or loss.

(g) Write-offs

When the Group determines that a loan has no reasonable prospect of recovery after the Group has completed all the necessary legal or other proceedings, the loan is written off against its allowance for impairment losses. If in a subsequent period the loan written off is recovered, the amount recovered will be recognised in profit or loss through credit impairment losses.

(h) Modification of contracts

If the renegotiation or modification of a contract between the Group and a counterparty does not result in derecognition of the financial assets, but leads to changes in contractual cash flows, the Group recalculates the gross carrying amount of the financial asset and the related gain or loss is recognised in profit or loss. The recalculated gross carrying amount of the financial asset is determined based on the present value of the renegotiated or modified contractual cash flows discounted at the financial asset's original effective interest rate. The Group assesses whether a significant increase in credit risk has occurred, by comparing the risk of a default occurring under revised terms as at the end of the reporting period with that as at the date of initial recognition under original terms.

(i) Fair value measurement

If there is an active market for a financial instrument, then the fair value of that financial instrument is determined based on quoted price from an active market without any deduction for transaction costs that may occur on future sales or disposals. A quoted price is from an active market where price information is readily and regularly available from an exchange, dealer, industry group or pricing service agency and that price information represents actual and regularly occurring orderly transactions.

If a quoted market price is not available, the fair value of the financial instruments is estimated using valuation techniques. Valuation techniques applied include the price used by market participants in an orderly transaction, reference to the fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. The Group selects valuation techniques that are commonly accepted by market participants for pricing the instruments and these techniques have been demonstrated to provide reliable estimates of prices obtained in actual market transactions. Periodically, the Group reviews the valuation techniques and tests them for validity.



NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

4 Material accounting policies and significant accounting estimates (continued)

(3) Financial instruments (continued)

(j) Offsets

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position when the Group has a legally enforceable right to offset the recognised amounts and the transactions are intended to be settled on a net basis or by realising the asset and settling the liability simultaneously.

(k) Securitisations

The Group securitises certain loans, which generally involves the sale of these assets to structured entities, which in turn issue securities to investors. Interests in the securitised financial assets may be retained in the form of credit enhancement or subordinated tranches, or other residual interests ("retained interests"). Gains or losses on securitisation are the difference between the carrying amount of the derecognised financial assets and the consideration received (including retained interest) which is recognised in profit or loss.

(l) Financial assets held under resale agreements and financial assets sold under repurchase agreements

Financial assets held under resale agreements are transactions where the Group acquires financial assets which will be resold at a predetermined price at a future date under resale agreements. Financial assets sold under repurchase agreements are transactions where the Group sells financial assets which will be repurchased at a predetermined price at a future date under repurchase agreements.

The cash paid or received is recognised as financial assets held under resale agreements or sold under repurchase agreements in the statement of financial position. Assets held under resale agreements are not recognised. Assets sold under repurchase agreements continue to be recognised in the statement of financial position.

The differences between the purchase and resale considerations, and that between the sale and repurchase considerations, are amortised over the period of the respective transaction using the effective interest method and are included in interest income and interest expenses respectively.

(4) Precious metals

Precious metals comprise gold and other precious metals. Precious metals acquired by the Group for trading purposes are initially recognised at fair value on the date of acquisition and measured subsequently at fair value with any changes recorded in profit or loss. Precious metals that are not acquired by the Group principally for trading purpose are carried at lower of cost and net realisable value.

(5) Fixed assets and Construction in progress

Fixed assets are assets held by the Group for the conduct of business and are expected to be used for more than one year. Construction in progress is transferred to fixed assets when ready for its intended use.

(a) Cost

Fixed assets are initially recognised at cost, except for the fixed assets and construction in progress obtained from the former CCB by the Bank which were recognised at the revalued amount as cost on the date of restructuring. The cost of a purchased fixed asset comprises the purchase price, related taxes, and any directly attributable expenditures for bringing the asset to working condition for its intended use. The cost of a self-constructed fixed asset comprises those expenditures necessarily incurred for bringing the asset to working condition for its intended use.

Where the individual components of an item of fixed assets have different useful lives or provide benefits to the Group in different patterns thus necessitating use of different depreciation rates or methods, they are recognised as separate fixed assets.

Subsequent costs, including the cost of replacing part of an item of fixed assets, are recognised in the carrying amount of the item if the recognition criteria are satisfied, and the carrying amount of the replaced part is derecognised. Expenditures relating to ordinary maintenance of fixed assets are recognised in profit or loss as incurred.

The cost of construction in progress is determined based on actual construction expenditures, which include all necessary construction expenses and other related expenses incurred during construction.



NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

4 Material accounting policies and significant accounting estimates (continued)**(5) Fixed assets and Construction in progress** (continued)**(b) Depreciation and impairment**

Depreciation is calculated to write off through profit or loss the cost of items of fixed assets, less their estimated residual value, if any, using the straight-line method over their estimated useful lives. Impaired fixed assets are depreciated net of accumulated allowance for impairment losses.

The estimated useful lives, net residual value rates and annual depreciation rates of respective fixed assets are as follows:

Types of assets	Estimated useful lives	Estimated net residual value rates	Annual depreciation rates
Bank premises	8-50 years	0%-5%	1.9%-12.5%
Equipment	2-20 years	0%-5%	4.8%-50.0%
Aircraft and vessels, etc	7-25 years	5%	3.8%-13.6%
Others	2-20 years	0%-5%	4.8%-50.0%

Aircraft and vessels, etc, include aircraft, vessels, shield machines and other fixed assets used for operating leases

The Group reviews the estimated useful life and estimated net residual value rates of a fixed asset and the depreciation method applied at least once a financial year.

Impairment losses on fixed assets are accounted for in accordance with the accounting policies as set out in Note 4(13).

(c) Disposal

Gains or losses arising from the retirement or disposal of a fixed asset are determined as the difference between the net disposal proceeds and the carrying amount of the fixed asset and are recognised in profit or loss on the date of retirement or disposal.

(6) Lease**Identification of leases**

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, the customer has both of the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset.

Assessment of the lease term

The lease term is the non-cancellable period of a lease for which the Group has the right to use an underlying asset. If the Group has an option to extend the lease, that is, the Group has the right to extend the lease, and is reasonably certain to exercise that option, the lease term also includes periods covered by an option to extend the lease. If the Group has an option to terminate the lease, that is, the Group has the right to terminate the lease, but is reasonably certain not to exercise that option, the lease term includes periods covered by an option to terminate the lease. The Group reassesses whether it is reasonably certain to exercise an extension option, purchase option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in the circumstances that is within the control of the Group and affects whether the Group is reasonably certain to exercise an option not previously included in its determination of the lease term.



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(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

4 Material accounting policies and significant accounting estimates (continued)**(6) Lease (continued)***As lessee*

The Group recognises lease liabilities and right-of-use assets, except for short-term leases and leases of low-value assets.

Right-of-use assets

The right-of-use assets of the Group mainly include bank premises and other equipment.

At the commencement date of the lease, the Group recognises a right-of-use asset. Right-of-use assets are initially measured at cost. The cost of the right-of-use asset comprises: (i) the amount of the initial measurement of the lease liability; (ii) any lease payments made at or before the commencement date of the lease less any lease incentives received; (iii) any initial direct cost incurred; and (iv) an estimate of costs incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. The right-of-use assets are depreciated on a straight-line basis subsequently by the Group. If the Group is reasonably certain that the ownership of the underlying asset will be transferred to the Group at the end of the lease term, the Group depreciates the asset from the commencement date to the end of the useful life of the asset. Otherwise, the Group depreciates the assets from the commencement date to the earlier of the end of the useful life of the asset or the end of the lease term.

Lease liabilities

At the commencement date of the lease, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease.

In calculating the present value of the lease payments, the Group uses the interest rate implicit in the lease as the discount rate. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate. The Group calculates the interest expenses of the lease liability in each period during the lease term using the constant periodic rate of interest, and recognises such interest expenses in profit or loss, except those in the costs of the related asset as required. Variable lease payments that are not included in the measurement of the lease liabilities are recognised in profit or loss as incurred, except those in the costs of the related asset as required.

After the lease commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for lease payments made. In the event that there is a change in: (i) the in-substance fixed lease payments; (ii) the amounts expected to be payable under a residual value guarantee; (iii) future lease payments resulting from a change in an index or a rate used to determine those payments; (iv) the assessment results or actual exercise of an option to purchase, extend or terminate the underlying asset, the Group remeasures its lease liabilities at the present value of lease payments after the changes have been made and adjusts the carrying amount of the right-of-use assets accordingly. If there is a need to further reduce lease liabilities when the carrying amount of right-of-use assets is already reduced to zero, the Group recognises the additional amount in profit or loss.

Short-term leases and leases of low-value assets

The Group considers a lease that, at the commencement date of the lease, has a lease term of 12 months or less, and does not contain any purchase option as a short-term lease; and a lease of the individual underlying asset with low value, when new, as a lease of low-value assets. The Group recognises lease payments on short-term leases and leases of low-value assets in the costs of the related asset or profit or loss on a straight-line basis over the lease term.

Lease modifications

Lease modification is a change in the scope of a lease, the consideration or the term for a lease, that was not part of the original terms and conditions of the lease, for example, adding or terminating the right to use one or more underlying assets, or extending or shortening the contractual lease term.

NOTES TO THE FINANCIAL STATEMENTS

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4 Material accounting policies and significant accounting estimates (continued)**(6) Lease** (continued)*As lessee* (continued)*Lease modifications* (continued)

The Group accounts for a lease modification as a separate lease if both:

- (a) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- (b) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification the Group remeasures the lease liability by discounting the revised lease payments using a revised discount rate. The revised discount rate is determined as the interest rate implicit in the lease for the remainder of the lease term, or the lessee's incremental borrowing rate at the effective date of the modification, if the interest rate implicit in the lease cannot be readily determined.

For a lease modification that is not accounted for as a separate lease, the Group accounts for the remeasurement of the lease liability by:

- (a) decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope or term of the lease, and recognising the gain or loss relating to the partial or full termination of the lease in profit or loss; or
- (b) making a corresponding adjustment to the right-of-use asset for all other lease modifications.

Lessee's incremental borrowing rate

If the interest rate implicit in the lease cannot be readily determined, the Group measures the lease liability at the present value of the lease payments discounted using the lessee's incremental borrowing rate. According to the economic environment, the Group takes the observable interest rate as the reference basis for determining the incremental borrowing rate, then adjusts the observable interest rate based on its own circumstances, underlying assets, lease terms and amounts of lease liabilities to determine the applicable incremental borrowing rate.

As lessor

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset, except that a lease is classified as an operating lease at the inception date. The Group, as an intermediate lessor, classifies the sublease by reference to the right-of-use asset arising from the head lease.

As lessor of a finance lease

At the commencement date of the lease, the Group recognises finance lease payments receivable and derecognises finance lease assets. The Group presents lease payments receivable at an amount equal to the net investment in the lease for the initial measurement. The net investment in the lease is the sum of any unguaranteed residual value accruing to the lessor and at the commencement date of the lease the lease payments receivable by a lessor under a finance lease discounted at the interest rate implicit in the lease, including the initial direct costs.

The Group recognises interest income over the lease term, based on a pattern reflecting a constant periodic rate of return on its net investment in the lease. Variable lease payments received by the Group that are not included in the measurement of the net investment in the lease are recognised in profit or loss as incurred.



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4 Material accounting policies and significant accounting estimates (continued)

(6) Lease (continued)

As lessor (continued)

As lessor of a finance lease (continued)

The Group accounts for a modification to a finance lease as a separate lease if both:

- (a) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- (b) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a modification to a finance lease that is not accounted for as a separate lease, the Group accounts for the modification as follows:

- (a) if the lease would have been classified as an operating lease had the modification been in effect at the inception date, the Group accounts for the lease modification as a new lease from the effective date of the modification, and measures the carrying amount of the underlying asset as the net investment in the lease immediately before the effective date of the lease modification; or
- (b) if the lease would have been classified as a finance lease had the modification been in effect at the inception date, the Group accounts for the lease modification in accordance with the requirements in Note 4(3) on the contract modifications or re-negotiation.

As lessor of an operating lease

Rent income under an operating lease is recognised on a straight-line basis over the lease term, through profit or loss. The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease receivables relating to the original lease as part of the lease receivables for the new lease.

Sale and leaseback transactions

As lessor

If the transfer of an asset satisfies the requirements to be accounted for as a sale of the asset, the Group, as a lessor, accounts for the purchase of the asset and for the lease applying the accounting requirements set forth; and if the transfer of an asset does not satisfy the requirements to be accounted for as a sale of the asset, the Group, as a lessor, does not recognise the transferred asset and recognises a financial asset equal to the transfer proceeds. The Group accounts for the financial asset applying Note 4(3).

(7) Investment properties

Investment properties are properties held to earn rental income and/or for capital appreciation. Investment properties include land use rights leased out, land use rights held for transfer upon capital appreciation, and buildings leased out.

An investment property is measured initially at cost. If the economic benefits relating to an investment property will probably flow in and the cost can be reliably measured, subsequent costs incurred for the property are included in the cost of the investment property. Otherwise, subsequent costs are recognised in profit or loss as incurred.

The Group adopts the cost model for subsequent measurement of investment properties. Depreciation is calculated using the straight-line method to write off to profit or loss the cost of investment properties, less their estimated residual value, if any, over their estimated useful lives. Impaired investment properties are depreciated net of accumulated impairment losses.

The estimated useful life, estimated net residual value rate and annual depreciation rate of the Group's investment properties are as follows:

Types of assets	Estimated useful life	Estimated net residual value rate	Annual depreciation rate
Premises	20-35 years	3%-5%	2.8%-4.9%
Others	5-8 years	0%-3%	12.5%-19.4%

The amortisation period of land use rights is shown in Note 4(8).



NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

4 Material accounting policies and significant accounting estimates (continued)**(8) Land use rights**

Land use rights are initially recognised at cost. The land use rights obtained from the former CCB by the Bank on the date of restructuring were recorded at the revalued amount. The useful lives of the Group's land use rights generally range from 30 to 70 years, over which the cost of land use rights is amortised on a straight-line basis and charged to profit or loss. Impaired land use rights are amortised net of accumulated allowance for impairment losses.

Impairment losses on land use rights are accounted for in accordance with the accounting policies as set out in Note 4(13).

(9) Intangible assets

Software and other intangible assets are initially recognised at cost. The cost less estimated residual values, if any, of the intangible assets is amortised on a straight-line basis over their useful lives, and charged to profit or loss. The useful lives of intangible assets are determined based on contracts, legal requirements or the period over which future economic benefits can be realised. Impaired intangible assets are amortised net of accumulated allowance for impairment losses.

Impairment losses on intangible assets are accounted for in accordance with the accounting policies as set out in Note 4(13).

The Group classifies the expenditures on an internal research and development project into expenditure on the research phase and expenditure on the development phase. Expenditure on the research phase is recognised in profit or loss as incurred. Expenditure on the development phase is capitalised only when the Group can demonstrate all of the following: (i) the technical feasibility of completing the intangible asset so that it will be available for use or sale; (ii) the intention to complete the intangible asset and use or sell it; (iii) how the intangible asset will generate probable future economic benefits (among other things, the Group can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset); (iv) the availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and (v) the ability to measure reliably the expenditure attributable to the intangible asset during the development phase. Expenditure on the development phase which does not meet these above criteria is recognised in profit or loss when incurred.

(10) Goodwill

Goodwill represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets. Goodwill is not amortised. Goodwill arising from a business combination is allocated to each cash-generating unit ("CGU") or group of CGUs, that is expected to benefit from the synergies of the combination. The Group performs an impairment test on goodwill at least annually.

Any excess of the Group's interest in the net fair value of the acquiree's identifiable net assets over the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree is recognised immediately in profit or loss.

On disposal of the related CGU or group of CGUs, any attributable amount of goodwill net of allowances for impairment losses, if any, is included in the calculation of the profit or loss on disposal.

Impairment loss on goodwill is accounted for in accordance with the accounting policies as set out in Note 4(13).

(11) Repossessed assets

To recover impaired loans and advances, the Group may go through court proceedings or have debtors, guarantors or a third person voluntarily hand over the rights of ownership of the assets. Repossessed assets in the form of financial assets are recognised and presented as the appropriate class of financial assets based on the business models and contractual cash flow characteristics, and repossessed assets that are not financial assets are recognised and reported in "other assets" in the balance sheet when the Group intends to achieve an orderly realisation of the impaired assets and the Group is no longer seeking repayment from the borrower.

The Group measures repossessed assets in the form of financial assets at fair value upon initial recognition, and records any taxes payable, advance payment for litigation fees, tax arrears and other transaction costs incurred to obtain repossessed assets in profit or loss or into the initial book value, respectively, depending on the type of financial assets. Repossessed assets that are not financial assets are initially recognised at the fair value of the rights given up by creditors, and the Group records any taxes payable, advance payment for litigation fees, tax arrears and other transaction costs incurred to obtain the repossessed assets into the book value of repossessed assets.

Repossessed assets that are not financial assets are recognised at book value less allowances for impairment losses measured in accordance with the accounting policies as set out in Note 4(13).



NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

4 Material accounting policies and significant accounting estimates (continued)

(12) Non-current assets or disposal groups held for sale

The Group classifies a non-current asset or disposal group as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. An asset or disposal group is classified as held for sale if the following criteria are simultaneously met: it must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets or disposal groups and the sale must be highly probable, i.e., the Group has passed a resolution on a plan to sell the asset or disposal group and obtained a firm purchase commitment with the sale expected to be completed within one year. (The Group has obtained approval from relevant authority or regulators where relevant regulations require such approval before the sale can be made.) If the Group loses control over the subsidiary due to the sale of its investments in the subsidiary, when the criteria are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale, it shall classify its investments in the subsidiary as held for sale in the standalone financial statements, and all assets and liabilities of that subsidiary as held for sale in the consolidated financial statements.

The Group shall recognise an impairment loss for any initial or subsequent write-down of non-current asset or disposal group held for sale (except financial assets, deferred tax assets, etc.) to fair value less costs to sell and record it in profit or loss of the current period and recognise an impairment provision for held for sale asset or disposal group. Non-current asset or disposal group held for sale are not subject to depreciation or amortisation and are not accounted for using the equity method.

(13) Allowances for impairment losses on assets

The Group determines the impairment of long-term equity investments and non-financial assets such as fixed assets, construction in progress, right-of-use assets and intangible assets, using the following methods:

The Group assesses at the end of the reporting period whether there is any indication that assets may be impaired. If any indication exists that an asset may be impaired, the Group estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired and it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the CGU to which the asset belongs.

CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash flows from other assets or groups of assets.

The recoverable amount of an asset (or CGU, group of CGUs) is the higher of its fair value less costs of disposal and the present value of the expected future cash flows. The Group considers all relevant factors in estimating the present value of future cash flows, such as the expected future cash flows, the useful life and the discount rate.

(a) Impairment test for CGU containing goodwill

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the CGU or group of CGUs that is expected to benefit from the synergies of the combination.

A CGU or group of CGUs to which goodwill has been allocated is tested for impairment by the Group at least annually, or whenever there is an indication that the CGU or group of CGUs are impaired, by comparing the carrying amount of the CGU or group of CGUs, including the goodwill, with the recoverable amount of the CGU or group of CGUs. At the time of impairment testing of a CGU or group of CGUs to which goodwill has been allocated, there may be an indication of an impairment of an asset within the CGU containing the goodwill. In such circumstances, the Group tests the asset for impairment first, and recognises any impairment loss for that asset before testing for impairment on the CGU containing the goodwill. Similarly, there may be an indication of an impairment of a CGU within a group of CGUs containing the goodwill. In such circumstances, the Group tests the CGU for impairment first, and recognises any impairment loss for that CGU, before testing for impairment the group of CGUs to which the goodwill is allocated.

(b) Impairment loss

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is recognised as an impairment loss and charged to profit or loss.

For a CGU or a group of CGUs, the amount of impairment loss firstly reduces the carrying amount of any goodwill allocated to the CGU or group of CGUs, and then reduces the carrying amount of other assets (other than goodwill) within the CGU or group of CGUs, pro rata on the basis of the carrying amount of each asset.



NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

4 Material accounting policies and significant accounting estimates (continued)**(13) Allowances for impairment losses on assets** (continued)**(c) Reversing an impairment loss**

If, in a subsequent period, the amount of impairment loss of the non-financial asset except for goodwill decreases and the decrease can be linked objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss. A reversal of impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior periods.

An impairment loss in respect of goodwill is not reversed.

(14) Employee benefits

Employee benefits are all forms of consideration given and compensations incurred by the Group in exchange for services rendered by employees or the termination of the employment relationship. Except for termination benefits, employee benefits are recognised as a liability in the period in which the associated services are rendered by its employees, with a corresponding increase in cost of relevant assets or the expenses in profit or loss. Where payment or settlement is deferred and the effect of discount would be material, these amounts are stated at their present values in the statement of financial position.

(a) Post-employment benefits

The Group divides post-employment benefit plans into defined contribution plans and defined benefit plans. Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions. Defined benefit plans are post-employment benefit plans other than defined contribution plans. For defined contribution plans, the Group pays contributions to basic retirement insurance, annuity scheme and unemployment insurance for the employees during the reporting period, while defined benefit plans are mainly supplementary retirement benefits.

Defined contribution retirement schemes

Pursuant to the relevant laws and regulations in the PRC, employees in the Chinese mainland have joined defined contribution retirement schemes for the employees arranged by local government labour and security authorities. The Group makes contributions to the retirement schemes at the applicable rates based on the amounts stipulated by the local government organisations. The contributions are charged to profit or loss on an accrual basis. When employees retire, the local government labour and security authorities are responsible for the payment of the basic retirement benefits to the retired employees.

Annuity contributions

In addition to the statutory provision contributions, the Bank's employees have joined the annuity scheme set up by the Bank under "CCBC Annuity Scheme" (the "scheme") in accordance with state enterprise annuity regulations. The Bank has made annuity contributions in proportion to its employees' gross wages, which are expensed in profit or loss when the contributions are made.

Supplementary retirement benefits

The Group pays supplementary retirement benefits for its employees in the Chinese mainland who retired on or before 31 December 2003 in addition to the contributions made to statutory insurance schemes. Such supplementary retirement benefits are defined benefit plans.

The Group's obligations in respect of supplementary retirement benefits are calculated by estimating the amount of obligations that the Group is committed to pay to the employees after their retirement using actuarial techniques. At the end of each reporting period, such obligations are discounted with interest yield of government bonds with similar duration. The service cost and net interest from the supplementary retirement benefits are recognised in profit or loss, and the remeasurements are recognised in other comprehensive income.

The liability recognised in the statement of financial position in respect of supplementary retirement benefits is the present value of supplementary retirement benefit obligations at the end of the reporting period less the fair value of plan assets.



NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

4 Material accounting policies and significant accounting estimates (continued)

(14) Employee benefits (continued)

(b) Termination benefits

Where the Group terminates the employment relationship with employees before the end of the employment contracts or provides compensation as an offer to encourage employees to accept voluntary redundancy, a provision is recognised for the compensation arising from termination of employment relationship, through profit or loss. The Group is required to recognise termination benefits at the earlier of when it can no longer withdraw an offer of those benefits and when it recognises any related restructuring costs.

(c) Early retirement expenses

The Group recognises the present value of all its liabilities to employees who voluntarily agreed to retire early. The early retirement benefit payments are made by the Group from the date of early retirement to the regulated retirement date. Differences arising from changes in assumptions and estimates of the present value of the liabilities are recognised in profit or loss as incurred.

(d) Staff incentive plan

As approved by the Board of Directors, for the purposes of providing incentives and rewards to eligible employees for their past services, the Group awards a specified amount of staff compensation to the staff incentive plan independently managed by a designated staff committee for those eligible participating employees. The Group recognises its contribution to the plan when it has a present legal or constructive obligation to make such payment and a reliable estimate of the obligation can be made.

(15) Insurance contracts

The Group identifies portfolios of insurance contracts as contracts subject to similar risks and are managed together. The Group further divides portfolios of insurance contracts into groups of insurance contracts and uses groups of insurance contracts as units of account. The Group's approaches for insurance contract measurement include the general measurement model, the special measurement approach ("variable fee approach") for groups of insurance contracts with direct participation features, and the simplified approach ("premium allocation approach"). The Group makes the accounting policy choice of disaggregating insurance finance income or expenses for the period between profit or loss and other comprehensive income.

General measurement model

The Group measures insurance contract liabilities on the initial recognition of a group of insurance contracts at the total of fulfilment cash flows and contractual service margin.

On initial recognition of a group of insurance contracts, the Group measures the total of: the fulfilment cash flows; the cash flows related to asset for insurance acquisition cash flows, and any other asset or liability derecognised at that date; cash flows arising from the contracts in the group at that date. If the total represents a net cash inflow, the Group recognises that as a contractual service margin; if it represents a net cash outflow, the Group recognises that as a loss in profit or loss of the period.

The insurance contract liability is subsequently measured by the Group at the end of the reporting period at the total of the liability for remaining coverage and the liability for incurred claims.

For insurance contracts without direct participation features, the carrying amount of the contractual service margin of a group of contracts at the end of the reporting period are determined as the carrying amount at the start of the period after required adjustments.

The Group rationally determines the coverage units of the group of contracts in each period of the coverage period based on the pattern of provision of insurance contract services, and recognises insurance revenue accordingly over the current and future periods by amortizing the adjusted carrying amount of the contractual service margin.

Variable fee approach

The Group adopts the variable fee approach for insurance contracts with direct participation features. The Group estimates the fulfilment cash flows of the groups of insurance contracts with direct participation features at the difference between the fair value of the underlying items and the variable fee. For insurance contracts with direct participation features, the carrying amount of the contractual service margin of a group of contracts at the end of the reporting period equals the carrying amount at the start of the reporting period after required adjustments.

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

4 Material accounting policies and significant accounting estimates (continued)**(15) Insurance contracts (continued)***Premium allocation approach*

For insurance contracts meeting criteria, the Group may simplify the measurement of a group of insurance contracts adopting the premium allocation approach ("PAA"). Adopting the premium allocation approach, on initial recognition, the carrying amount of the liability for remaining coverage is the premiums received, minus any insurance acquisition cash flows at that date, and minus (or plus) any amount arising from the derecognition at that date of any asset for insurance acquisition cash flows and any other related asset or liability. At the end of the reporting period, the carrying amount of the liability for remaining coverage is the carrying amount at the start of the reporting period plus the premiums received in the period, minus insurance acquisition cash flows in the period, plus any amounts relating to the amortisation of insurance acquisition cash flows recognised as insurance service expenses and any adjustment to a financing component in the period, minus the amount recognised as insurance revenue for services provided in that period, and minus any investment component paid or transferred to the liability for incurred claims in the period.

(16) Provisions and contingent liabilities

A provision is recognised in the statement of financial position if, as the result of a past event, the Group has a present legal or constructive obligation that can be reliably estimated and it is probable that an outflow of economic benefits will be required to settle the obligation. A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Factors pertaining to a contingency such as the risks, uncertainties and time value of money are taken into account as a whole in reaching the best estimate. Where the effect of the time value of money is material, the best estimate is determined by discounting the related future cash outflows.

A potential obligation arising from a past transaction or event whose existence can only be confirmed by the occurrence or non-occurrence of future uncertain events; or a present obligation that arises from past transactions or events where it is not probable that an outflow of economic benefits is required to settle the obligation or the amount of the obligation cannot be measured reliably, is disclosed as a contingent liability unless the probability of outflow of economic benefit is remote.

(17) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. A financial instrument issued is an equity instrument if, and only if, both conditions (i) and (ii) below are met: (i) The financial instrument includes no contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Group; and (ii) If the financial instrument will or may be settled in the Group's own equity instruments, it is a non-derivative instrument that includes no contractual obligations for the Group to deliver a variable number of its own equity instruments; or a derivative that will be settled only by the Group exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

(18) Financial guarantee contracts and loan commitments

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, in accordance with the terms of a debt instrument.

Financial guarantee contracts are initially recognised at fair value on the date the guarantee was given. Subsequent to initial recognition, the Group's liabilities under such guarantees are measured at the higher of the initial amount, less amortisation of guarantee fees, and the best estimate of the loss provisions required to settle the guarantee. Any increase in the liability relating to guarantees is recognised in profit or loss.

The impairment allowance of loan commitments provided by the Group is measured by ECL. The Group has not provided any commitment to provide loans at a below-market interest rate, or that can be settled net in cash or by delivering or issuing another financial instrument.

For loan commitments and financial guarantee contracts, the loss allowance is recognised as a provision. However, for contracts that include both a loan and an undrawn commitment and the Group cannot separately identify the ECL on the undrawn commitment component from those on the loan component, the ECL on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined allowance for ECL exceed the gross carrying amount of the loan, the ECL are recognised as a provision.



NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

4 Material accounting policies and significant accounting estimates (continued)

(19) Fiduciary and custody business

Asset custody business refers to a fee-based business of the Group, as an independent third party, enters into custody contracts with trustors, managers, or trustees in accordance with laws and regulations, maintains entrusted assets in accordance with the contracts, discharges rights and obligations as agreed in the custody contracts, provides custody services, and charges fiduciary and custody fees. The Group fulfils its fiduciary obligations and collects relevant fees in accordance with these contracts, and does not take up any risks and rewards related to the assets under custody, which are recorded as off-balance sheet items.

The Group conducts entrusted lending business, whereby it enters into entrusted loan agreements with customers. Under the terms of these agreements, the customers provide funding (the "entrusted funds") to the Group, and the Group grants loans (the "entrusted loans") to third parties according to the instructions of the customers. As the Group does not assume the risks and rewards of the entrusted loans and the corresponding entrusted funds, entrusted loans and funds are recorded as off-balance sheet items at their principal amounts and no allowance for impairment losses are made for these entrusted loans.

(20) Revenue recognition

(a) Interest income

Interest income for debt instruments measured at amortised cost and fair value through other comprehensive income is recognised in profit or loss based on effective interest method. Interest income includes the amortisation of any discount or premium or other differences between the initial carrying amount of an interest-earning instrument and its amount at maturity calculated on an effective interest basis. The effective interest method is a method of calculating the amortised cost of financial assets and liabilities and of allocating the interest income and interest expense over the relevant period.

(b) Fee and commission income

Fee and commission income is recognised when the performance obligation is satisfied. For those services that are provided over a period of time, fee and commission income is accrued in accordance with the terms and conditions of the service agreement. For other services, fee and commission income is recognised when the transactions are completed.

(c) Dividend income

Dividend income from equity investments is recognised in profit or loss on the date when the Group's right to receive payment is established.

(21) Income tax

Current income tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the end of each reporting period, and any adjustment to tax payable in respect of previous periods. Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax also arises from unused tax losses and unused tax credits. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax losses and unused tax credits can be utilised.

Current income tax and movements in deferred tax balances are recognised in profit or loss except to the extent that they relate to items recognised in equity, in which case the relevant amounts of tax are recognised in equity, respectively.

At the end of each reporting period, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled according to the requirements of tax laws. The Group also considers the possibility of realisation and the settlement of deferred tax assets and deferred tax liabilities in the calculation.

Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if the Group has the legally enforceable right to offset current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity. Otherwise, the balances of deferred tax assets and deferred tax liabilities, and movements therein, are presented separately from each other and are not offset.



NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

4 Material accounting policies and significant accounting estimates (continued)**(22) Cash equivalents**

Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(23) Profit distribution

Proposed dividends which are declared and approved after the end of each reporting period are not recognised as a liability in the statement of financial position and are instead disclosed as a subsequent event after the end of each reporting period in the note to the financial statements. Dividends payable are recognised as liabilities in the period in which they are approved.

(24) Related parties

If the Group has the power, directly or indirectly, to control, jointly control or exercise significant influence over another party, or vice versa, or where the Group and one or more parties are subject to common control or joint control from another party, they are considered to be related parties. Related parties may be individuals or enterprises. The Group's related parties include but are not limited to the following:

- (a) the Bank's parents;
- (b) the Bank's subsidiaries;
- (c) other entities which are controlled by the Bank's parents;
- (d) an investor who has joint control over the Group;
- (e) an investor who can exercise significant influence over the Group;
- (f) an associate of the Group;
- (g) a joint venture of the Group;
- (h) principal individual investors of the Group, and close family members of such individuals (principal individual investors are the individual investors who have the power, directly or indirectly, to control, jointly control or exercise significant influence over another party);
- (i) key management personnel of the Group and close family members of such individuals (key management personnel represent those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of that entity);
- (j) key management personnel of the Bank's parents and close family members of such individuals;
- (k) other entities that are controlled or jointly controlled by the Group's principal individual investors, key management personnel, or close family members of such individuals;
- (l) a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group; and
- (m) joint ventures and their subsidiaries, or associates and their subsidiaries, of other member units (including parent companies and subsidiaries) of the Bank's corporate group, joint ventures and their subsidiaries, or associates and their subsidiaries, of companies that exercise joint control over the Bank, joint ventures and their subsidiaries of the companies that have a significant influence on the Bank, subsidiaries of joint ventures, and subsidiaries of associates.

(25) Operating segments

The identification of operating segments of the Group is on the basis of internal reports that are regularly reviewed by the Group's chief operating decision makers in order to allocate resources to the segment and assess its performance. On the basis of the operating segments, the Group identifies the reportable segments, using a combination of factors including products and services, geographical areas, regulatory environments, which management has chosen for organisation. The operating segments that meet the specified criteria have been aggregated, and the operating segments that meet quantitative thresholds have been reported separately.

The amount reported for each operating segment item is the measure reported to the chief operating decision makers for the purposes of allocating resources to the segment and assessing its performance. Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group.



NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

4 Material accounting policies and significant accounting estimates (continued)

(26) Significant accounting estimates and judgements

(a) *Classification of financial assets*

The Group's significant judgments in determining the classification of financial assets include the analysis of business models and contractual cash flow characteristics.

The Group determines the business model for the management of financial assets at the level of portfolios and considers the factors such as how the asset's performance is evaluated and reported to key management personnel, the risks affecting the performance of financial assets and the way in which financial assets are managed, and how managers of the business are compensated.

In assessing whether the contractual cash flows of financial assets are consistent with the basic lending arrangement, the Group uses the following key judgements: whether the principals may change because of the changes of time distribution or amount over the life period due to the reasons such as prepayment; whether the interest includes only the consideration for the time value of money, for credit risk, for other basic lending risks and costs, as well as a profit margin. For example, whether the amount prepaid reflects only the principal that has not yet been paid and the interest based on the outstanding principal, as well as reasonable compensation paid for the early termination of the contract.

(b) *Measurement of expected credit losses*

The measurement of expected credit loss for the investment in financial assets measured at amortised cost and debt instruments measured at FVOCI is an area that requires the use of complex models and significant assumptions about future macroeconomic conditions and credit behaviour (e.g. the likelihood of default by customers and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring expected credit losses is further detailed in Note 62(1).

A number of significant judgements are required in applying the accounting requirements for measuring expected credit losses, such as:

- Determining criteria for significant increase and credit-impaired in credit risk;
- Choosing appropriate models and assumptions for the measurement of expected credit losses;
- Determining the forward-looking information and weightings for different types of products when measuring expected credit losses; and
- Establishing groups of financial instruments with similar risk characteristics for the purpose of measuring expected credit losses.

Detailed information about the judgements and estimates made by the Group in the above areas is set out in Note 62(1) Credit risk.

(c) *Fair value of financial instruments*

The fair value of financial instruments that are traded in an active market is based on their quoted market prices in an active market at the valuation date. A quoted market price is a price from an active market where price information is readily and regularly available from an exchange or from a dealer quotation and where this price information represents actual and recurring orderly transactions.

For all other financial instruments, the Group determines fair values using valuation techniques which include discounted cash flow models, as well as other types of valuation model. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, foreign currency exchange rates, credit spreads and the liquidity premium. Where discounted cash flow techniques are used, estimated cash flows are based on management's best estimates and the discount rate used is a market rate at the end of each reporting period applicable for an instrument with similar terms and conditions. Where other pricing models are used, inputs are based on the maximising observable market data at the end of each reporting period. However, where market data is not available, the Group needs to make the best estimates on such unobservable market inputs.

The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants in an orderly transaction.



NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

4 Material accounting policies and significant accounting estimates (continued)**(26) Significant accounting estimates and judgements** (continued)**(d) Income taxes**

Determining income tax provisions involves judgement on the future tax treatment of certain transactions. The Group carefully evaluates the tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislations. Deferred tax assets are recognised for tax losses not yet used and temporary deductible differences. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profits will be available against which the unused tax credits can be utilised, management's judgement is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax assets to be recovered.

(e) Employee retirement benefit obligations

The Group has established liabilities in connection with benefits paid to certain retired employees. The amounts of employee benefit expense and liabilities are dependent on assumptions used in calculating such amounts. These assumptions include discount rates, pension benefit inflation rates, medical benefit inflation rates, and other factors. While management believes that its assumptions are appropriate, differences in actual experience or changes in assumptions may affect the Group's other comprehensive income and liability related to its employee retirement benefit obligations.

(f) Scope of consolidation

The Group has taken into consideration all facts and circumstances in the assessment of whether the Group, as an investor, controls the investee. The principle of control includes three elements: (i) power over the investee; (ii) exposure, or rights, to variable returns from involvement with the investee; and (iii) the ability to use power over the investee to affect the amount of the investor's returns. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

5 Taxation

The Group's main applicable taxes and tax rates are as follows:

Value added tax ("VAT")

Pursuant to the 'Circular on the Comprehensive Plan for Levying VAT in place of Business Tax' (Cai Shui [2016] No.36) jointly issued by the Ministry of Finance ("MOF") and the State Administration of Taxation, business tax that used to be levied on taxable income of the Bank and its subsidiaries in the Chinese mainland was replaced by VAT from 1 May 2016, and the main VAT rate is 6%.

City construction tax

City construction tax is calculated as 1% to 7% of VAT.

Education surcharge

Education surcharge is calculated as 3% of VAT.

Local education surcharge

Local education surcharge is calculated as 2% of VAT.

Income tax

The predominant income tax rate that is applicable to the Bank and its subsidiaries in the Chinese mainland is 25%. Taxation on overseas operations is charged at the relevant local rates. Tax paid on overseas operations is deducted to the extent allowed under the relevant income tax laws of the PRC.



NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

6 Net interest income

	2025	2024
Interest income arising from:		
Deposits with central banks	41,813	44,878
Deposits with banks and non-bank financial institutions	3,539	5,063
Placements with banks and non-bank financial institutions	16,262	20,165
Financial assets held under resale agreements	15,551	16,761
Financial investments	305,836	289,788
Loans and advances to customers		
– Corporate loans and advances	466,132	509,093
– Personal loans and advances	288,328	342,270
– Discounted bills	15,801	13,539
Total	1,153,262	1,241,557
Interest expense arising from:		
Borrowings from central banks	(20,703)	(27,137)
Deposits from banks and non-bank financial institutions	(66,584)	(78,229)
Placements from banks and non-bank financial institutions	(18,695)	(19,502)
Financial assets sold under repurchase agreements	(20,381)	(4,119)
Debt securities issued	(67,466)	(63,860)
Deposits from customers		
– Corporate deposits	(151,916)	(205,143)
– Personal deposits	(234,743)	(253,685)
Total	(580,488)	(651,675)
Net interest income	572,774	589,882
(1) Interest income from impaired financial assets is listed as follows:		
	2025	2024
Impaired loans and advances	3,531	3,309
Other impaired financial assets	49	108
Total	3,580	3,417

(2) Interest expense on financial liabilities with maturity over five years mainly represented the interest expense on debt securities issued.



NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

7 Net fee and commission income

	2025	2024
Fee and commission income		
Settlement and clearing fees	36,500	36,705
Bank card fees	20,523	21,074
Commission on trust and fiduciary activities	16,272	17,057
Income from asset management business	15,341	8,581
Agency service fees	15,304	14,412
Consultancy and advisory fees	7,736	8,131
Others	12,032	11,980
Total	123,708	117,940
Fee and commission expense		
Bank card transaction fees	(6,675)	(6,530)
Inter-bank transaction fees	(925)	(1,111)
Others	(5,801)	(5,371)
Total	(13,401)	(13,012)
Net fee and commission income	110,307	104,928

8 Net trading gain

	2025	2024
Debt securities	3,374	3,599
Derivatives	614	1,158
Equity investments	(82)	(235)
Others	27	243
Total	3,933	4,765

9 Dividend income

	2025	2024
Dividend income from equity investments measured at fair value through profit or loss	4,648	5,721
Dividend income from equity investments measured at fair value through other comprehensive income	1,321	855
Total	5,969	6,576



NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

10 Net gain arising from investment securities

	2025	2024
Net loss related to financial liabilities designated as measured at fair value through profit or loss	(4,786)	(5,995)
Net gain related to other financial assets and liabilities measured at fair value through profit or loss	9,007	13,253
Net gain related to financial assets measured at fair value through other comprehensive income	11,128	3,012
Others	1,719	608
Total	17,068	10,878

11 Net gain on derecognition of financial assets measured at amortised cost

For the year ended 31 December 2025, the net gain on derecognition of financial assets measured at amortised cost consisted mainly of a gain from the disposal of the Group's bond investments (For the year ended 31 December 2024, a net gain on derecognition of financial assets measured at amortised cost consisted mainly of a gain from the disposal of the Group's bond investments and a gain from asset-backed securities).

12 Other operating income, net

	2025	2024
Other operating income		
Insurance related income	5,868	5,315
Foreign exchange gains	14,504	7,363
Rental income	8,687	8,502
Others	5,411	5,495
Total	34,470	26,675
Other operating expense		
Insurance related costs	(10,948)	(11,002)
Others	(10,295)	(8,123)
Total	(21,243)	(19,125)
Other operating income, net	13,227	7,550

Foreign exchange gains consisted primarily of gains in connection with the translation of monetary assets and liabilities denominated in foreign currencies, as well as realised and unrealised net gains on fair value changes arising from foreign exchange derivatives.



NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

13 Operating expenses

	2025	2024
Staff costs		
– Salaries, bonuses, allowances and subsidies	88,968	87,392
– Defined contribution plans	17,213	16,984
– Housing funds	8,314	8,166
– Union running costs and employee education costs	3,146	2,837
– Compensation to employees for termination of employment relationship	22	44
– Others	18,983	18,337
	136,646	133,760
Premises and equipment expenses		
– Depreciation charges	20,698	21,562
– Rent and property management expenses	3,606	3,882
– Maintenance	2,068	2,250
– Utilities	1,863	1,957
– Others	2,379	2,374
	30,614	32,025
Taxes and surcharges	9,138	8,263
Amortisation expenses	3,150	3,385
Other general and administrative expenses	47,677	46,346
Total	227,225	223,779

In 2025, the Group's operating expenses related to research and development activities amounted to RMB5,681 million (2024: RMB7,068 million).

14 Credit impairment losses

	2025	2024
Loans and advances to customers	148,156	118,938
Financial investments		
– Financial assets measured at amortised cost	(1,326)	6,007
– Financial assets measured at fair value through other comprehensive income	1,248	(2,077)
Off-balance sheet credit business	(5,087)	(4,838)
Others	(9,674)	2,670
Total	133,317	120,700

15 Other impairment losses

	2025	2024
Other impairment losses	42	298



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(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

16 Directors' and supervisors' emoluments

The aggregate of the emoluments before individual income tax of directors who held office during the year is as follows:

	2025				
	Fees RMB'000	Remuneration paid RMB'000	Contributions to defined contribution retirement schemes RMB'000	Other benefits in kind (Note (v)) RMB'000	Total (Note (i)) RMB'000
Executive directors					
Zhang Jinliang (Note (vi))	-	686	68	180	934
Zhang Yi (Note (vi))	-	686	68	180	934
Ji Zhihong (Note (vi))	-	617	68	173	858
Non-executive directors					
Xin Xiaodai (Notes (ii) & (iii))	-	-	-	-	-
Li Li (Notes (ii) & (iii))	-	-	-	-	-
Dou Hongquan (Notes (ii) & (iii))	-	-	-	-	-
Liu Fang (Note (iii))	-	-	-	-	-
Li Lu (Note (iii))	-	-	-	-	-
Shi Jian (Notes (ii) & (iii))	-	-	-	-	-
Independent non-executive directors					
William Coen	410	-	-	-	410
Leung Kam Chung, Antony	420	-	-	-	420
Lord Sassoon	390	-	-	-	390
Lin Zhijun	390	-	-	-	390
Zhang Weiguo (Note (ii))	255	-	-	-	255
Former non-executive directors					
Tian Bo (Notes (ii) & (iii))	-	-	-	-	-
Xia Yang (Notes (ii) & (iii))	-	-	-	-	-
Former independent non-executive directors					
Graeme Wheeler (Note (ii))	220	-	-	-	220
Michel Madelain (Note (ii))	220	-	-	-	220
Former supervisors					
Lin Hong (Notes (ii) & (vi))	-	530	51	158	739
Liu Jun (Notes (ii) & (iv))	38	-	-	-	38
Zhao Xijun (Note (ii))	218	-	-	-	218
Liu Huan (Note (ii))	203	-	-	-	203
Ben Shenglin (Note (ii))	188	-	-	-	188
	2,952	2,519	255	691	6,417



NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

16 Directors' and supervisors' emoluments (continued)

	2024			
	Annual remuneration payable (Allowances) RMB'000	Employer's contribution to social insurances, enterprise annuity, supplemental medical insurance and housing Provident fund RMB'000	Other monetary income RMB'000	Total RMB'000
Executive directors				
Zhang Jinliang (Note (vi))	933	244	–	1,177
Zhang Yi (Note (vi))	622	171	–	793
Ji Zhihong (Note (vi))	840	236	–	1,076
Non-executive directors				
Tian Bo (Notes (ii) & (iii))	–	–	–	–
Xia Yang (Notes (ii) & (iii))	–	–	–	–
Liu Fang (Note (iii))	–	–	–	–
Li Lu (Note (iii))	–	–	–	–
Independent non-executive directors				
Graeme Wheeler (Note (ii))	440	–	–	440
Michel Madelain (Note (ii))	440	–	–	440
William Coen	400	–	–	400
Leung Kam Chung, Antony	410	–	–	410
Lord Sassoon	390	–	–	390
Lin Zhijun	130	–	–	130
Supervisors				
Lin Hong (Note (vi))	1,126	296	–	1,422
Liu Jun (Note (iv))	50	–	–	50
Zhao Xijun	290	–	–	290
Liu Huan	270	–	–	270
Ben Shenglin	250	–	–	250
Former executive directors				
Tian Guoli (Notes (ii) & (vi))	233	55	–	288
Cui Yong (Notes (ii) & (vi))	–	–	–	–
Former non-executive directors				
Shao Min	–	–	–	–
Former independent non-executive directors				
Kenneth Patrick Chung	220	–	–	220
	7,044	1,002	–	8,046



NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

16 Directors' and supervisors' emoluments (continued)

Notes:

- (i) The amounts of emoluments for the year ended 31 December 2025 in respect of the services rendered by the directors and supervisors are subject to the approval of the shareholders' general meeting.
- (ii) Upon election at the first extraordinary general meeting of 2025 of the Bank and approval of the NFRA, Mr. Zhang Weiguo began to serve as independent non-executive director of the Bank from June 2025, and Ms. Li Li began to serve as non-executive director of the Bank from July 2025. Upon election at the 2024 annual general meeting of the Bank and approval of the NFRA, Ms. Xin Xiaodai and Mr. Dou Hongquan began to serve as non-executive director of the Bank from August 2025. Upon election at the second extraordinary shareholders' meeting of 2025 of the Bank and approval of the NFRA, Mr. Shi Jian began to serve as non-executive director of the Bank from January 2026.

Due to expiration of term of office, Mr. Tian Bo and Mr. Xia Yang ceased to serve as non-executive director of the Bank from June 2025, and Mr. Graeme Wheeler and Mr. Michel Madelain ceased to serve as independent non-executive director of the Bank from June 2025.

Effective from 23 September 2025, in accordance with the *Articles of Association*, the Bank no longer maintains the Board of Supervisors. The functions of the Board of Supervisors have been legally transferred to the Audit Committee of the Board.
- (iii) Non-executive directors of the Bank receive their remuneration from the shareholders of the Bank. Apart from this, none of the other directors have received any remuneration from any related parties of the Bank.
- (iv) The amounts only included fees for their services as supervisors.
- (v) Other benefits in kind included the Bank's contributions to medical fund, housing fund and other social insurances, which are payable to labour and security authorities based on the lower of certain percentage of the salaries and allowance or the prescribed upper limits as required by the relevant regulations issued by the government authorities. Other benefits also included the Bank's contribution to its own corporate annuity plan (which was set up in accordance with the relevant policies issued by the government authorities) and supplementary medical insurance.
- (vi) The total compensation package for these directors for the year ended 31 December 2025 has not yet been finalised in accordance with regulations of the PRC relevant authorities. The amount of the compensation not provided for is not expected to have a significant impact on the Group's financial statements for the year ended 31 December 2025. The final compensation will be disclosed in a separate announcement when determined.

The total compensation package for certain directors and supervisors for the year ended 31 December 2024 had not been finalised in accordance with regulations of the PRC relevant authorities as at the date that the 2024 financial statements were published. The aforesaid total compensation package for the directors and supervisors for the year ended 31 December 2024 was the final amount.
- (vii) From 2015 onwards, remuneration of the Bank's leaders administered by central authorities has been paid in accordance with relevant policies relating to the central remuneration reform.

None of the directors and supervisors received any inducements or compensation for loss of office, or waived any emoluments during the years ended 31 December 2025 and 2024.

17 Individuals with highest emoluments

The five highest paid employees of the Group are all market-making personnel responsible for asset management business of the Bank's subsidiaries or personnel from the Bank's overseas entities. Their emoluments were determined based on prevailing market rates in respective countries (regions) where the subsidiaries are located. None of the five individuals with the highest emoluments are directors or supervisors whose emoluments are disclosed in Note 16. The aggregate of the emoluments before individual income tax of the five highest paid individuals during the year is as follows:

	2025 RMB'000	2024 RMB'000
Salaries and allowance	16,350	18,267
Variable compensation	11,542	11,709
Contributions to defined contribution retirement schemes	6	2,547
Other benefits in kind	2,352	955
Total	30,250	33,478



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(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

17 Individuals with highest emoluments (continued)

The numbers of these individuals whose emoluments before individual income tax are within the following bands is set out below:

	2025	2024
RMB4,000,001 – RMB4,500,000	1	–
RMB4,500,001 – RMB5,000,000	–	–
RMB5,000,001 – RMB5,500,000	1	1
RMB5,500,001 – RMB6,000,000	2	–
RMB6,000,001 – RMB6,500,000	–	2
RMB6,500,001 – RMB7,000,000	–	1
RMB7,000,001 – RMB7,500,000	–	–
RMB7,500,001 – RMB8,000,000	–	–
RMB8,000,001 – RMB8,500,000	–	–
RMB8,500,001 – RMB9,000,000	1	1

None of these individuals received any inducements or compensation for loss of office, or waived any emoluments during the years ended 31 December 2025 and 2024.

18 Income tax expense**(1) Income tax expense**

	2025	2024
Current tax	48,531	53,439
– The Chinese mainland	44,699	51,012
– Hong Kong	1,747	1,172
– Other countries and regions	2,085	1,255
Deferred tax	(7,698)	(5,344)
Total	40,833	48,095

The provisions for income taxes for the Chinese mainland and Hong Kong are calculated at 25% and 16.5% of the estimated taxable income from the Chinese mainland and Hong Kong operations, respectively. Taxation for other overseas operations is charged at the appropriate current rates of taxation ruling in the relevant tax jurisdictions.

(2) Reconciliation between income tax expense and accounting profit

	Note	2025	2024
Profit before tax		380,623	384,377
Income tax calculated at the 25% statutory tax rate		95,156	96,094
Effects of different applicable rates of tax prevailing in other countries/regions		(880)	(504)
Non-deductible expenses and others	(a)	12,395	14,237
Non-taxable income	(b)	(65,838)	(61,732)
Income tax expense		40,833	48,095

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

(b) Non-taxable income primarily includes interest income from PRC government bonds and local government bonds.

The Group has adopted a temporary mandatory exemption from the recognition and disclosure of deferred income taxes arising from the Pillar Two model rules in accordance with amendments to IAS 12. Before 31 December 2025, Pillar Two legislations were enacted in certain jurisdictions where the Group has operations and became effective successively from 1 January 2024. The aggregate top-up tax amount associated with Pillar Two model rules was not material to the Group's financial statements for the year ended 31 December 2025.



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19 Earnings per share

Basic earnings per share for the years ended 31 December 2025 and 2024 have been computed by dividing the net profit attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the years.

For the purpose of calculating basic earnings per share, dividends on other equity instruments declared in respect of the period should be deducted from net profit attributable to equity shareholders of the Bank.

The conversion feature of preference shares is considered to be contingently issuable ordinary shares. The triggering events of conversion did not occur for the years ended 31 December 2025 and 2024, therefore the conversion feature of preference shares has no effect on the basic and diluted earnings per share calculations.

	2025	2024
Net profit attributable to equity shareholders of the Bank	338,906	335,577
Less: Profit for the year attributable to other equity instruments holders of the Bank	(5,420)	(7,108)
Net profit attributable to ordinary shareholders of the Bank	333,486	328,469
Weighted average number of ordinary shares (in millions of shares)	256,107	250,011
Basic earnings per share attributable to ordinary shareholders of the Bank (in RMB yuan)	1.30	1.31
Diluted earnings per share attributable to ordinary shareholders of the Bank (in RMB yuan)	1.30	1.31

20 Cash and deposits with central banks

	Note	31 December 2025	31 December 2024
Cash		48,588	46,691
Deposits with central banks			
– Statutory deposit reserves	(1)	2,218,453	2,206,678
– Surplus deposit reserves	(2)	734,336	259,529
– Fiscal deposits and others		51,639	57,283
Accrued interest		1,183	1,180
Total		3,054,199	2,571,361

- (1) The Group places statutory deposit reserves with the People's Bank of China ("PBOC") and overseas central banks where it has operations. The statutory deposit reserves are not available for use in the Group's daily business.

As at the end of the reporting period, the Bank's statutory deposit reserves rates in the Chinese mainland were as follows:

	31 December 2025	31 December 2024
Reserve rate for RMB deposits	7.50%	8.00%
Reserve rate for foreign currency deposits	4.00%	4.00%

The statutory RMB deposit reserve rates applicable to domestic subsidiaries of the Group are determined by the PBOC.

The amounts of statutory deposit reserves placed with the central banks of overseas countries and regions are determined by local jurisdictions.

- (2) The surplus deposit reserves maintained with the PBOC is mainly for the purpose of clearing.



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21 Deposits with banks and non-bank financial institutions**(1) Analysed by type of counterparties**

	31 December 2025	31 December 2024
Banks	155,662	124,986
Non-bank financial institutions	34,253	29,083
Accrued interest	762	570
Gross balances	190,677	154,639
Allowances for impairment losses (Note 36)	(55)	(107)
Net balances	190,622	154,532

(2) Analysed by geographical sectors

	31 December 2025	31 December 2024
The Chinese mainland	158,772	117,985
Overseas	31,143	36,084
Accrued interest	762	570
Gross balances	190,677	154,639
Allowances for impairment losses (Note 36)	(55)	(107)
Net balances	190,622	154,532

As at 31 December 2025 and 2024, all of the Group's deposits with banks and non-bank financial institutions were designated as Stage 1. For the years ended 31 December 2025 and 2024, neither the book values nor the impairment allowances had any migrations between stages.

22 Placements with banks and non-bank financial institutions**(1) Analysed by type of counterparties**

	31 December 2025	31 December 2024
Banks	372,074	317,922
Non-bank financial institutions	443,777	350,518
Accrued interest	4,232	4,866
Gross balances	820,083	673,306
Allowances for impairment losses (Note 36)	(260)	(431)
Net balances	819,823	672,875



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(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

22 Placements with banks and non-bank financial institutions (continued)

(2) Analysed by geographical sectors

	31 December 2025	31 December 2024
The Chinese mainland	670,850	523,623
Overseas	145,001	144,817
Accrued interest	4,232	4,866
Gross balances	820,083	673,306
Allowances for impairment losses (Note 36)	(260)	(431)
Net balances	819,823	672,875

As at 31 December 2025 and 2024, all of the Group's placements with banks and non-bank financial institutions were designated as Stage 1. For the years ended 31 December 2025 and 2024, neither the book values nor the impairment allowances had any migrations between stages.

23 Derivatives and hedge accounting

(1) Analysed by type of contracts

		31 December 2025			31 December 2024		
	Note	Notional amounts	Assets	Liabilities	Notional amounts	Assets	Liabilities
Interest rate contracts		2,946,134	9,689	8,396	943,927	10,554	8,508
Exchange rate contracts		6,233,284	36,664	33,358	5,700,288	94,840	73,678
Other contracts	(a)	330,223	2,947	48,050	231,940	2,659	11,804
Total		9,509,641	49,300	89,804	6,876,155	108,053	93,990

(a) Other contracts mainly consist of precious metals and commodity contracts.

(2) Hedge accounting

The following designated hedging instruments are included in the derivatives disclosed above:

		31 December 2025			31 December 2024		
	Note	Notional amounts	Assets	Liabilities	Notional amounts	Assets	Liabilities
Fair value hedges	(a)						
Interest rate swaps		52,303	424	125	47,437	990	95
Cross currency swaps		13,478	321	54	2,716	145	–
Cash flow hedges	(b)						
Foreign exchange swaps		6,146	42	14	29,882	38	269
Cross currency swaps		1,537	65	–	876	70	–
Interest rate swaps		9,784	5	14	219	–	2
Total		83,248	857	207	81,130	1,243	366



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23 Derivatives and hedge accounting (continued)**(2) Hedge accounting** (continued)**(a) Fair value hedges**

The Group uses interest rate swaps and cross currency swaps to hedge against changes in fair value of loans and advances to customers, debt securities, placements from banks and non-bank financial institutions, financial assets sold under repurchase agreements, and deposits from customers.

Net (losses)/gains on fair value hedges are as follows:

	2025	2024
Hedging instruments	(489)	(107)
Hedged items	481	129

The gain and loss arising from the ineffective portion of fair value hedges was immaterial for the years ended 31 December 2025 and 2024.

(b) Cash flow hedges

The Group uses foreign exchange swaps, cross currency swaps and interest rate swaps to hedge against exposures to cash flow variability primarily from foreign exchange and interest rate risks on deposits with banks and non-bank financial institutions, placements with banks and non-bank financial institutions, debt securities, placements from banks and non-bank financial institutions, deposits from customers, and debt securities issued. The maturities of hedging instruments and hedged items are predominantly within five years.

For the year ended 31 December 2025, the Group's net loss from the cash flow hedges of RMB72 million was recognised in other comprehensive income (for the year ended 31 December 2024: net gain from cash flow hedges of RMB100 million), and the gain and loss arising from the ineffective portion of cash flow hedges was immaterial.

24 Financial assets held under resale agreements

Financial assets held under resale agreements analysed by underlying assets are shown as follows:

	31 December 2025	31 December 2024
Debt securities		
– Government bonds	405,394	249,377
– Debt securities issued by policy banks, banks and non-bank financial institutions	438,618	362,137
Subtotal	844,012	611,514
Discounted bills	12,692	11,031
Accrued interest	136	47
Total	856,840	622,592
Allowances for impairment losses (Note 36)	(22)	(33)
Net balances	856,818	622,559

As at 31 December 2025 and 2024, all of the Group's financial assets held under resale agreements were designated as Stage 1. For the years ended 31 December 2025 and 2024, neither the book values nor the impairment allowances had any migrations between stages.



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25 Loans and advances to customers

(1) Analysed by measurement

	Note	31 December 2025	31 December 2024
Gross loans and advances to customers measured at amortised cost		25,629,143	24,161,965
Less: allowances for impairment losses		(846,037)	(802,894)
Net loans and advances to customers measured at amortised cost	(a)	24,783,106	23,359,071
Loans and advances to customers measured at fair value through other comprehensive income	(b)	2,092,713	1,631,752
Accrued interest		50,971	49,577
Total		26,926,790	25,040,400

(a) Loans and advances to customers measured at amortised cost

	31 December 2025	31 December 2024
Corporate loans and advances		
– Loans	16,370,983	15,085,911
– Finance leases	98,978	98,744
	16,469,961	15,184,655
Personal loans and advances		
– Residential mortgages	6,054,134	6,254,112
– Personal consumer loans	704,099	544,917
– Personal business loans	1,315,605	1,021,693
– Credit cards	1,012,246	1,069,183
– Others	73,098	87,405
	9,159,182	8,977,310
Gross loans and advances to customers measured at amortised cost	25,629,143	24,161,965
Stage 1 – allowances for impairment losses	(328,800)	(328,369)
Stage 2 – allowances for impairment losses	(239,445)	(219,912)
Stage 3 – allowances for impairment losses	(277,792)	(254,613)
Allowances for impairment losses at amortised cost (Note 36)	(846,037)	(802,894)
Net loans and advances to customers measured at amortised cost	24,783,106	23,359,071

(b) Loans and advances to customers measured at fair value through other comprehensive income

	31 December 2025	31 December 2024
Discounted bills	2,092,713	1,631,752



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(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

25 Loans and advances to customers (continued)**(2) Analysed by assessment method of expected credit losses**

	31 December 2025			
	Stage 1	Stage 2	Stage 3	Total
Gross loans and advances to customers measured at amortised cost	24,406,012	859,149	363,982	25,629,143
Less: allowances for impairment losses	(328,800)	(239,445)	(277,792)	(846,037)
Carrying amount of loans and advances to customers measured at amortised cost	24,077,212	619,704	86,190	24,783,106
Provision percentage for loans and advances to customers measured at amortised cost	1.35%	27.87%	76.32%	3.30%
Carrying amount of loans and advances to customers measured at fair value through other comprehensive income	2,092,660	53	–	2,092,713
Allowances for impairment losses on loans and advances to customers measured at fair value through other comprehensive income	(2,564)	(11)	–	(2,575)
31 December 2024				
	Stage 1	Stage 2	Stage 3	Total
Gross loans and advances to customers measured at amortised cost	23,023,768	793,506	344,691	24,161,965
Less: allowances for impairment losses	(328,369)	(219,912)	(254,613)	(802,894)
Carrying amount of loans and advances to customers measured at amortised cost	22,695,399	573,594	90,078	23,359,071
Provision percentage for loans and advances to customers measured at amortised cost	1.43%	27.71%	73.87%	3.32%
Carrying amount of loans and advances to customers measured at fair value through other comprehensive income	1,631,619	133	–	1,631,752
Allowances for impairment losses on loans and advances to customers measured at fair value through other comprehensive income	(2,309)	(5)	–	(2,314)

The Group measures ECL of loans and advances using risk parameter modelling approach that incorporates relevant parameters such as Probability of Default ("PD"), Loss Given Default ("LGD"), and Exposure at Default ("EAD"). Specifically, the Group calculates LGD for Stage 3 corporate loans and advances not managed as part of a portfolio as well as discounted bills using the discounted cash flow method on expected recoverable cash flows. The Group can also calculate LGD for other corporate loans and advances using the discounted cash flow method on expected recoverable cash flows based on actual circumstances.

The segmentation of the loans mentioned above is defined in Note 4(3)(f).



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25 Loans and advances to customers (continued)**(3) Movements of allowances for impairment losses**

	Note	2025			
		Stage 1	Stage 2	Stage 3	Total
As at 1 January 2025		328,369	219,912	254,613	802,894
Transfers:					
Transfers in/(out) to Stage 1		22,161	(21,130)	(1,031)	–
Transfers in/(out) to Stage 2		(7,843)	10,646	(2,803)	–
Transfers in/(out) to Stage 3		(4,778)	(29,356)	34,134	–
Newly originated or purchased financial assets		173,272	–	–	173,272
Transfer out/repayment	(a)	(131,951)	(31,084)	(95,658)	(258,693)
Remeasurements	(b)	(50,430)	90,457	111,165	151,192
Write-offs		–	–	(38,581)	(38,581)
Recoveries of loans and advances written off		–	–	15,953	15,953
As at 31 December 2025		328,800	239,445	277,792	846,037
	Note	2024			
		Stage 1	Stage 2	Stage 3	Total
As at 1 January 2024		363,424	190,295	224,504	778,223
Transfers:					
Transfers in/(out) to Stage 1		18,463	(17,394)	(1,069)	–
Transfers in/(out) to Stage 2		(9,135)	17,464	(8,329)	–
Transfers in/(out) to Stage 3		(5,359)	(22,535)	27,894	–
Newly originated or purchased financial assets		153,389	–	–	153,389
Transfer out/repayment	(a)	(135,943)	(33,838)	(68,274)	(238,055)
Remeasurements	(b)	(56,470)	85,920	118,854	148,304
Write-offs		–	–	(56,294)	(56,294)
Recoveries of loans and advances written off		–	–	17,327	17,327
As at 31 December 2024		328,369	219,912	254,613	802,894

(a) Transfer out/repayment refers to transfer of creditor's rights, transfer of beneficial rights from credit assets, securitisation of assets, debt-to-equity swaps and reversal of loss provision due to repayment of debts in the form of other assets, as well as repayment of loans, etc.

(b) Remeasurements comprise the impact of changes in PD, LGD, and EAD; changes in model assumptions and methodologies; loss provisions change due to stage-transfer; unwinding of discount; and the impact of exchange rate changes, etc.

The loss provisions disclosed above are for loans and advances to customers measured at amortised cost.



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(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

25 Loans and advances to customers (continued)**(3) Movements of allowances for impairment losses (continued)**

For the year ended 31 December 2025, the changes of gross carrying amounts of loans and advances to customers with a significant impact on the Group's impairment allowance were mainly resulted from the credit business in the Chinese mainland, including:

For the year ended 31 December 2025, the gross carrying amount of corporate loans and advances to customers at domestic branches that had been transferred from Stage 1 to Stage 2 was RMB194,028 million (for the year ended 31 December 2024: RMB172,277 million). The gross carrying amount of loans transferred from Stage 2 to Stage 3 was RMB52,435 million (for the year ended 31 December 2024: RMB40,113 million). The gross carrying amount of loans transferred from Stage 2 to Stage 1 was RMB60,110 million (for the year ended 31 December 2024: RMB55,786 million). The changes of impairment allowances resulting from loans transferred from Stage 1 to Stage 3, and Stage 3 to Stage 1 and Stage 2 was not significant (for the year ended 31 December 2024: not significant). For the year ended 31 December 2025, the gross carrying amount of personal loans and advances to customers at domestic branches that had been transferred from Stage 2 to Stage 3 was RMB37,195 million (for the year ended 31 December 2024: RMB34,927 million). Changes in impairment allowances resulting from changes in stage designations of other personal loans and advances to customers at domestic branches were not significant (for the year ended 31 December 2024: not significant).

For the year ended 31 December 2025, the gross carrying amount of the loans of which impairment allowances were transferred from Stage 3 to Stage 2, and from Stage 3 or Stage 2 to Stage 1, due to the modification of contractual cash flows of domestic branches which did not result in derecognition was not significant (for the year ended 31 December 2024: not significant).

(4) Packaged disposal of non-performing loans

For the year ended 31 December 2025, the Group's total amount of non-performing loans sold through packaged disposal to external asset management companies was RMB23,726 million (for the year ended 31 December 2024: RMB16,840 million).

(5) Write-offs

According to the Group's Write-offs policy, it is required to continue to recover the bad debts that are written off. For the year ended 31 December 2025, the amount of loans and advances to customers that the Group has written off under litigation-related condition but still under enforcement was RMB5,754 million (for the year ended 31 December 2024: RMB11,002 million).

26 Financial investments**(1) Analysed by measurement**

	Note	31 December 2025	31 December 2024
Financial assets measured at fair value through profit or loss	(a)	874,994	612,504
Financial assets measured at amortised cost	(b)	7,739,652	7,429,723
Financial assets measured at fair value through other comprehensive income	(c)	4,282,706	2,641,736
Total		12,897,352	10,683,963

(a) Financial assets measured at fair value through profit or loss*Analysed by nature*

	Note	31 December 2025	31 December 2024
Held-for-trading purposes			
– Debt securities	(i)	317,667	130,680
– Equity instruments and funds	(ii)	4,124	3,049
		321,791	133,729
Others			
– Debt securities	(iii)	140,979	145,081
– Equity instruments, funds and others	(iv)	412,224	333,694
		553,203	478,775
Total		874,994	612,504



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(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

26 Financial investments (continued)(1) **Analysed by measurement** (continued)(a) *Financial assets measured at fair value through profit or loss* (continued)*Analysed by type of issuers*

Held-for-trading purposes

(i) Debt securities

	31 December 2025	31 December 2024
Government	23,096	19,173
Central banks	8,725	12,800
Policy banks	49,451	28,615
Banks and non-bank financial institutions	191,050	62,051
Enterprises	45,345	8,041
Total	317,667	130,680
Listed (Note)	312,684	128,165
– of which in Hong Kong	942	2,527
Unlisted	4,983	2,515
Total	317,667	130,680

Note: Debt securities traded on the China Domestic Interbank Bond Market are classified as "Listed".

(ii) Equity instruments and funds

	31 December 2025	31 December 2024
Banks and non-bank financial institutions	2,570	2,869
Enterprises	1,554	180
Total	4,124	3,049
Listed	2,840	2,294
– of which in Hong Kong	72	178
Unlisted	1,284	755
Total	4,124	3,049



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(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

26 Financial investments (continued)**(1) Analysed by measurement** (continued)**(a) Financial assets measured at fair value through profit or loss** (continued)*Analysed by type of issuers (continued)*

Others

(iii) Debt securities

	31 December 2025	31 December 2024
Policy banks	8,537	18,176
Banks and non-bank financial institutions	131,653	126,412
Enterprises	789	493
Total	140,979	145,081
Listed (Note)	140,876	144,979
– of which in Hong Kong	68	61
Unlisted	103	102
Total	140,979	145,081

Note: Debt securities traded on the China Domestic Interbank Bond Market are classified as "Listed".

(iv) Equity instruments, funds and others

	31 December 2025	31 December 2024
Banks and non-bank financial institutions	259,479	183,798
Enterprises	152,745	149,896
Total	412,224	333,694
Listed	30,125	20,908
– of which in Hong Kong	4,438	3,783
Unlisted	382,099	312,786
Total	412,224	333,694

There was no significant limitation on the ability of the Group to dispose of financial assets measured at fair value through profit or loss.



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(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

26 Financial investments (continued)(1) **Analysed by measurement** (continued)(b) **Financial assets measured at amortised cost***Analysed by type of issuers*

	31 December 2025	31 December 2024
Government	7,014,053	6,642,599
Central banks	4,274	2,200
Policy banks	331,704	343,553
Banks and non-bank financial institutions	124,985	131,945
Enterprises	166,260	213,454
Special government bond	49,200	49,200
Subtotal	7,690,476	7,382,951
Accrued interest	71,883	73,291
Gross balances	7,762,359	7,456,242
Allowances for impairment losses		
– Stage 1	(12,214)	(14,212)
– Stage 2	(476)	(7)
– Stage 3	(10,017)	(12,300)
Subtotal	(22,707)	(26,519)
Net balances	7,739,652	7,429,723
Listed (Note)	7,596,333	7,311,261
– of which in Hong Kong	952	2,207
Unlisted	143,319	118,462
Total	7,739,652	7,429,723
Market value of listed bonds	8,059,224	7,964,173

Note: Debt securities traded on the China Domestic Interbank Bond Market are classified as "Listed".



NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

26 Financial investments (continued)

(1) Analysed by measurement (continued)

(c) Financial assets measured at fair value through other comprehensive income

Analysed by nature

	Note	31 December 2025	31 December 2024
Bond investments	(i)	4,232,347	2,609,473
Debt investments		456	41
Equity instruments	(ii)	49,903	32,222
Total		4,282,706	2,641,736

Analysed by type of issuers

(i) Bond investments

	31 December 2025	31 December 2024
Government	2,803,638	1,419,701
Central banks	57,129	33,049
Policy banks	400,583	586,142
Banks and non-bank financial institutions	567,102	352,923
Enterprises	345,382	114,049
Accumulated change of fair value charged in other comprehensive income	26,949	78,112
Subtotal	4,200,783	2,583,976
Accrued interest	31,564	25,497
Total	4,232,347	2,609,473
Listed (Note)	3,961,525	2,535,485
– of which in Hong Kong	91,356	96,033
Unlisted	270,822	73,988
Total	4,232,347	2,609,473

Note: Debt securities traded on the China Domestic Interbank Bond Market are classified as "Listed".

- (ii) The Group designates certain non-trading equity investments as financial assets measured at fair value through other comprehensive income. For the year ended 31 December 2025, dividend income from such equity investments was RMB1,321 million (for the year ended 31 December 2024: RMB855 million). For the year ended 31 December 2025, the value of equity investments disposed of was RMB702 million (for the year ended 31 December 2024: Nil) and the cumulative gains transferred into retained earnings from other comprehensive income after disposal was RMB97 million (for the year ended 31 December 2024: Nil).



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(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

26 Financial investments (continued)(2) **Movements of allowances for impairment losses**(a) **Financial assets measured at amortised cost**

	Note	2025			
		Stage 1	Stage 2	Stage 3	Total
As at 1 January 2025		14,212	7	12,300	26,519
Transfers:					
Transfers in/(out) to Stage 1		-	-	-	-
Transfers in/(out) to Stage 2		(24)	24	-	-
Transfers in/(out) to Stage 3		-	-	-	-
Newly originated or purchased financial assets		1,102	-	-	1,102
Financial assets derecognised during the year		(1,936)	-	(2,106)	(4,042)
Remeasurements	(i)	(1,140)	445	853	158
Write-offs		-	-	(1,037)	(1,037)
Recoveries of financial assets written off		-	-	7	7
As at 31 December 2025		12,214	476	10,017	22,707
	Note	2024			
		Stage 1	Stage 2	Stage 3	Total
As at 1 January 2024		11,716	80	13,050	24,846
Transfers:					
Transfers in/(out) to Stage 1		-	-	-	-
Transfers in/(out) to Stage 2		(1)	1	-	-
Transfers in/(out) to Stage 3		-	(64)	64	-
Newly originated or purchased financial assets		2,004	-	-	2,004
Financial assets derecognised during the year		(4,299)	(15)	(563)	(4,877)
Remeasurements	(i)	4,792	5	835	5,632
Write-offs		-	-	(1,106)	(1,106)
Recoveries of financial assets written off		-	-	20	20
As at 31 December 2024		14,212	7	12,300	26,519



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(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

26 Financial investments (continued)**(2) Movements of allowances for impairment losses** (continued)**(b) Financial assets measured at fair value through other comprehensive income**

	Note	2025			
		Stage 1	Stage 2	Stage 3	Total
As at 1 January 2025		2,939	8	303	3,250
Transfers:					
Transfers in/(out) to Stage 1		-	-	-	-
Transfers in/(out) to Stage 2		-	-	-	-
Transfers in/(out) to Stage 3		-	-	-	-
Newly originated or purchased financial assets		2,668	81	-	2,749
Financial assets derecognised during the year		(1,266)	-	(51)	(1,317)
Remeasurements	(i)	(198)	(4)	-	(202)
As at 31 December 2025		4,143	85	252	4,480
	Note	2024			
		Stage 1	Stage 2	Stage 3	Total
As at 1 January 2024		5,019	17	372	5,408
Transfers:					
Transfers in/(out) to Stage 1		-	-	-	-
Transfers in/(out) to Stage 2		-	-	-	-
Transfers in/(out) to Stage 3		-	-	-	-
Newly originated or purchased financial assets		833	-	-	833
Financial assets derecognised during the year		(2,944)	(12)	(94)	(3,050)
Remeasurements	(i)	31	3	25	59
As at 31 December 2024		2,939	8	303	3,250

(i) Remeasurements comprise the impact of changes in PD, LGD, and EAD; changes in model assumptions and methodologies; changes in allowance for impairment losses due to stage-transfer; and the impact of exchange rate changes, etc.

As at 31 December 2025, the Group's financial assets measured at amortised cost with carrying amount of RMB9,945 million (as at 31 December 2024: RMB13,171 million) and financial assets measured at fair value through other comprehensive income with carrying amount of RMB24 million (as at 31 December 2024: RMB37 million) were impaired and classified as Stage 3, financial assets measured at amortised cost with carrying amount of RMB6,320 million (as at 31 December 2024: RMB218 million) and financial assets measured at fair value through other comprehensive income with carrying amount of RMB1,343 million (as at 31 December 2024: RMB933 million) were classified as Stage 2, and the remaining financial assets measured at amortised cost and financial assets measured at fair value through other comprehensive income were classified as Stage 1.

For the year ended 31 December 2025, the increase in the Group's Stage 1 financial assets due to newly originated or purchased financial assets amounted to RMB4,134,561 million (for the year ended 31 December 2024: RMB2,341,958 million), the decrease in Stage 1 financial assets due to derecognition amounted to RMB2,174,709 million (for the year ended 31 December 2024: RMB1,340,509 million), and there were no significant changes in the balances of financial assets classified as Stage 2 and 3. Both the amounts of financial assets transferred between stages and the amounts of financial assets with modifications of contractual cash flows that did not result in a derecognition were not significant.



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27 Long-term equity investments**(1) Investments in subsidiaries****(a) Investment balance**

	Note	31 December 2025	31 December 2024
CCB Financial Asset Investment Co., Ltd. ("CCB Investment")		27,000	27,000
CCB Wealth Management Co., Ltd. ("CCB Wealth Management")		15,000	15,000
CCB Financial Leasing Co., Ltd. ("CCB Financial Leasing")		11,163	11,163
CCB House Rental Fund (Limited Partnership) ("CCB House Rental Fund")		10,000	10,000
CCB Brazil Financial Holding – Investimentos e Participações Ltda.		9,542	9,542
CCB Trust Co., Ltd. ("CCB Trust")		7,429	7,429
CCB Life Insurance Co., Ltd. ("CCB Life")		6,962	6,962
CCB Consumer Finance Co., Ltd. ("CCB Consumer Finance")		6,000	6,000
China Construction Bank (Europe) S.A. ("CCB Europe")		4,406	4,406
PT Bank China Construction Bank Indonesia Tbk ("CCB Indonesia")		2,215	2,215
CCB Pension Management Co., Ltd. ("CCB Pension")		1,610	1,610
Sino-German Bausparkasse Co., Ltd. ("Sino-German Bausparkasse")		1,502	1,502
China Construction Bank (Malaysia) Berhad ("CCB Malaysia")		1,334	1,334
China Construction Bank (New Zealand) Limited ("CCB New Zealand")		976	976
China Construction Bank (Russia) Limited ("CCB Russia")		851	851
Golden Fountain Finance Limited ("Golden Fountain")		676	676
CCB Principal Asset Management Co., Ltd. ("CCB Principal Asset Management")		130	130
CCB International Group Holdings Limited ("CCBIG")		–	–
China Construction Bank (London) Limited ("CCB London")	(i)	–	2,861
Subtotal		106,796	109,657
Less: Allowance for impairment losses		(8,672)	(8,672)
Total		98,124	100,985

(i) As at 31 December 2025, CCB London has completed its deregistration.



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27 Long-term equity investments (continued)**(1) Investments in subsidiaries (continued)**

(b) Except for CCB Indonesia, the major subsidiaries of the Group are unlisted enterprises, details of the investments in subsidiaries are as follows:

Name of company	Principal place of business	Particulars of issued and paid-up capital	Kind of legal entity	Principal activities	% of ownership directly held by the Bank	% of ownership indirectly held by the Bank	% of voting rights held by the Bank	Method of investment
CCB Investment	Beijing, the PRC	RMB27,000 million	Company with Limited Liability	Investment	100%	–	100%	Establishment
CCB Wealth Management	Shenzhen, the PRC	RMB15,000 million	Company with Limited Liability	Wealth Management	100%	–	100%	Establishment
CCB Financial Leasing	Beijing, the PRC	RMB11,000 million	Company with Limited Liability	Financial Leasing	100%	–	100%	Establishment
CCB House Rental Fund	Beijing, the PRC	RMB10,000 million	Limited Partnership	Investment	99.99%	0.01%	100%	Establishment
CCB Brazil Financial Holding – Investimentos e Participações Ltda.	Sao Paulo, Brazil	R\$4,281 million	Company with Limited Liability	Investment	99.99%	0.01%	100%	Acquisition
CCB Trust	Anhui, the PRC	RMB10,500 million	Company with Limited Liability	Trust Business	67%	–	67%	Acquisition
CCB Life	Shanghai, the PRC	RMB7,120 million	Company Limited by Shares	Insurance	51%	–	51%	Acquisition
CCB Consumer Finance	Beijing, the PRC	RMB7,200 million	Company with Limited Liability	Consumer Finance	83.33%	–	83.33%	Establishment
CCB Europe	Luxembourg	EUR550 million	Company with Limited Liability	Commercial Banking	100%	–	100%	Establishment
CCB Indonesia	Jakarta, Indonesia	IDR3,791,973 million	Company Limited by Shares	Commercial Banking	60%	–	60%	Acquisition
CCB Pension	Beijing, the PRC	RMB2,300 million	Company with Limited Liability	Pension Management	70%	–	70%	Establishment
Sino-German Bausparkasse	Tianjin, the PRC	RMB2,000 million	Company with Limited Liability	House Savings	75.10%	–	75.10%	Establishment
CCB Malaysia	Kuala Lumpur, Malaysia	MYR823 million	Company with Limited Liability	Commercial Banking	100%	–	100%	Establishment
CCB New Zealand	Auckland, New Zealand	NZD199 million	Company with Limited Liability	Commercial Banking	100%	–	100%	Establishment
CCB Russia	Moscow, Russia	RUB4,200 million	Company with Limited Liability	Commercial Banking	100%	–	100%	Establishment



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27 Long-term equity investments (continued)**(1) Investments in subsidiaries** (continued)

(b) Except for CCB Indonesia, the major subsidiaries of the Group are unlisted enterprises, details of the investments in subsidiaries are as follows: (continued)

Name of company	Principal place of business	Particulars of issued and paid-up capital	Kind of legal entity	Principal activities	% of ownership directly held by the Bank	% of ownership indirectly held by the Bank	% of voting rights held by the Bank	Method of investment
Golden Fountain	British Virgin Islands	US\$50,000	Company with Limited Liability	Investment	100%	–	100%	Acquisition
CCB Principal Asset Management	Beijing, the PRC	RMB200 million	Company with Limited Liability	Fund Management Services	65%	–	65%	Establishment
CCBIG	Hong Kong, the PRC	HK\$1	Company with Limited Liability	Investment	100%	–	100%	Establishment
CCB International (Holdings) Limited ("CCB International")	Hong Kong, the PRC	US\$601 million	Company with Limited Liability	Investment	–	100%	100%	Acquisition
China Construction Bank (Asia) Corporation Limited ("CCB Asia")	Hong Kong, the PRC	HK\$6,511 million RMB17,600 million	Company Limited by Shares	Commercial Banking	–	100%	100%	Acquisition

(c) As at 31 December 2025, the amount of the non-controlling interests of the subsidiaries was immaterial to the Group.

(2) Interests in associates and joint ventures

(a) The movements of the Group's interests in associates and joint ventures are as follows:

	2025	2024
As at 1 January	23,560	20,983
Increase in capital during the year	4,359	2,738
Decrease in capital during the year	(623)	(1,104)
Share of profits	336	584
Cash dividend receivable	(279)	(216)
Allowances for impairment losses (Note 36)	(29)	–
Effect of exchange difference and others	457	575
As at 31 December	27,781	23,560



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(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

27 Long-term equity investments (continued)**(2) Interests in associates and joint ventures** (continued)*(b) Details of the interests in major associates and joint ventures are as follows:*

Name of company	Principal place of business	Particulars of issued and paid-up capital	Principal activities	% of ownership held	% of voting held	Total assets at year end	Total liabilities at year end	Revenue for the year	Net profit for the year
Guoxin Jianyuan Equity Investment Fund (Chengdu) Partnership (Limited Partnership)	Chengdu, the PRC	RMB10,302 million	Equity investment	50.00%	50.00%	14,541	1	422	331
National Green Development Fund Co., Ltd.	Shanghai, the PRC	RMB53,050 million	Investment	9.04%	9.04%	54,941	455	385	157
Jianyuan Infrastructure Equity Investment Fund (Tianjin) Partnership (Limited Partnership)	Tianjin, the PRC	RMB3,500 million	Equity investment	48.57%	40.00%	4,120	-	(285)	(285)
Diamond String Limited	Hong Kong, the PRC	HK\$10,000	Property investment	50.00%	50.00%	1,663	1,635	204	47
Guomin Pension & Insurance Co., Ltd	Beijing, the PRC	RMB11,378 million	Insurance	8.79%	8.79%	92,962	79,587	8,953	506

28 Structured entities**(1) Unconsolidated structured entities**

Unconsolidated structured entities of the Group include wealth management products, asset management plans, trust plans, funds and asset-backed securities held for investment purposes, and wealth management products, trust plans and funds, which are issued or established by the Group for providing wealth management services to customers and earning management fees, commissions and custodian fees in return.

As at 31 December 2025 and 2024, the assets recognised for the Group's interests in the unconsolidated structured entities above included related investment and management fee, commission and custodian fee receivables accrued. Relevant carrying amounts and maximum risk exposures were as follows:

	31 December 2025	31 December 2024
Financial investments		
Financial assets measured at fair value through profit or loss	261,601	187,978
Financial assets measured at amortised cost	3,906	2,848
Financial assets measured at fair value through other comprehensive income	5,369	2,309
Long-term equity investments	17,240	15,088
Other assets	3,353	3,527
Total	291,469	211,750



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28 Structured entities (continued)**(1) Unconsolidated structured entities** (continued)

For the years ended 31 December 2025 and 2024, gains and losses from the Group's unconsolidated structured entities were as follows:

	2025	2024
Interest income	123	224
Fee and commission income	16,736	9,799
Net trading gain/(loss)	270	(213)
Dividend income	1,087	1,221
Net gain arising from investment securities	3,427	1,484
Share of profits of associates and joint ventures	377	422
Total	22,020	12,937

As at 31 December 2025, the balance of unconsolidated structured entities initiated by the Group totalled RMB6,510,950 million (as at 31 December 2024: RMB5,356,359 million).

(2) Consolidated structured entities

Structured entities included into the Group's scope of consolidation consisted mainly of asset management plans and trust plans invested by the Group.

29 Fixed assets

	Bank premises	Equipment	Aircraft and vessels, etc	Others	Total
Cost/Deemed cost					
As at 1 January 2025	153,028	49,102	65,399	52,273	319,802
Additions	141	4,440	14,166	2,065	20,812
Transfer in (Note 30)	649	19	–	2,517	3,185
Other movements	(2,023)	(4,926)	(6,473)	(1,788)	(15,210)
As at 31 December 2025	151,795	48,635	73,092	55,067	328,589
Accumulated depreciation					
As at 1 January 2025	(66,823)	(36,065)	(12,435)	(37,873)	(153,196)
Charge for the year	(4,907)	(5,143)	(3,774)	(4,585)	(18,409)
Other movements	552	4,830	2,072	2,371	9,825
As at 31 December 2025	(71,178)	(36,378)	(14,137)	(40,087)	(161,780)
Allowances for impairment losses (Note 36)					
As at 1 January 2025	(388)	–	(1,099)	(3)	(1,490)
Charge for the year	–	–	(319)	–	(319)
Other movements	3	–	232	–	235
As at 31 December 2025	(385)	–	(1,186)	(3)	(1,574)
Net carrying value					
As at 1 January 2025	85,817	13,037	51,865	14,397	165,116
As at 31 December 2025	80,232	12,257	57,769	14,977	165,235



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29 Fixed assets (continued)

	Bank premises	Equipment	Aircraft and vessels, etc	Others	Total
Cost/Deemed cost					
As at 1 January 2024	150,450	51,778	53,921	50,470	306,619
Additions	139	3,253	16,403	1,890	21,685
Transfer in (Note 30)	3,622	402	–	2,390	6,414
Other movements	(1,183)	(6,331)	(4,925)	(2,477)	(14,916)
As at 31 December 2024	153,028	49,102	65,399	52,273	319,802
Accumulated depreciation					
As at 1 January 2024	(62,147)	(36,597)	(10,674)	(35,786)	(145,204)
Charge for the year	(5,020)	(5,589)	(3,432)	(4,579)	(18,620)
Other movements	344	6,121	1,671	2,492	10,628
As at 31 December 2024	(66,823)	(36,065)	(12,435)	(37,873)	(153,196)
Allowances for impairment losses (Note 36)					
As at 1 January 2024	(394)	–	(1,070)	(3)	(1,467)
Charge for the year	–	–	(243)	–	(243)
Other movements	6	–	214	–	220
As at 31 December 2024	(388)	–	(1,099)	(3)	(1,490)
Net carrying value					
As at 1 January 2024	87,909	15,181	42,177	14,681	159,948
As at 31 December 2024	85,817	13,037	51,865	14,397	165,116

- (1) Aircraft and vessels, etc, include aircraft, vessels, shield machines and other fixed assets used for operating leases.
- (2) Other movements include disposals, retirements and exchange differences of fixed assets.
- (3) As at 31 December 2025, the ownership documentation for the Group's bank premises with a net carrying value of RMB5,950 million (as at 31 December 2024: RMB7,435 million) was being finalised. However, management took the view that the aforesaid matter would not affect the Group's rights to these assets, nor would it have any significant impact on the Group's business operation.



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30 Construction in progress

	2025	2024
Cost/Deemed cost		
As at 1 January	4,319	7,423
Additions	5,066	3,635
Transfer into fixed assets (Note 29)	(3,185)	(6,414)
Other movements	(198)	(325)
As at 31 December	6,002	4,319
Net carrying value		
As at 1 January	4,319	7,423
As at 31 December	6,002	4,319

Other movements include exchange differences.

31 Land use rights

	2025	2024
Cost/Deemed cost		
As at 1 January	22,870	22,903
Additions	33	1
Other movements	(545)	(34)
As at 31 December	22,358	22,870
Amortisation		
As at 1 January	(10,320)	(9,859)
Charge for the year	(499)	(519)
Other movements	141	58
As at 31 December	(10,678)	(10,320)
Allowances for impairment losses (Note 36)		
As at 1 January	(133)	(133)
Other movements	1	—
As at 31 December	(132)	(133)
Net carrying value		
As at 1 January	12,417	12,911
As at 31 December	11,548	12,417

Other movements include exchange differences.



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32 Intangible assets

	Software	Others	Total
Cost/Deemed cost			
As at 1 January 2025	22,471	600	23,071
Additions	1,985	8	1,993
Other movements	(400)	(1)	(401)
As at 31 December 2025	24,056	607	24,663
Amortisation			
As at 1 January 2025	(16,902)	(330)	(17,232)
Charge for the year	(2,074)	(28)	(2,102)
Other movements	294	–	294
As at 31 December 2025	(18,682)	(358)	(19,040)
Allowances for impairment losses (Note 36)			
As at 1 January 2025	–	(9)	(9)
Additions	–	(3)	(3)
Other movements	–	–	–
As at 31 December 2025	–	(12)	(12)
Net carrying value			
As at 1 January 2025	5,569	261	5,830
As at 31 December 2025	5,374	237	5,611
	Software	Others	Total
Cost/Deemed cost			
As at 1 January 2024	21,076	704	21,780
Additions	1,533	–	1,533
Other movements	(138)	(104)	(242)
As at 31 December 2024	22,471	600	23,071
Amortisation			
As at 1 January 2024	(14,847)	(384)	(15,231)
Charge for the year	(2,213)	(32)	(2,245)
Other movements	158	86	244
As at 31 December 2024	(16,902)	(330)	(17,232)
Allowances for impairment losses (Note 36)			
As at 1 January 2024	–	(9)	(9)
Additions	–	–	–
Other movements	–	–	–
As at 31 December 2024	–	(9)	(9)
Net carrying value			
As at 1 January 2024	6,229	311	6,540
As at 31 December 2024	5,569	261	5,830

Other movements include exchange differences.



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33 Goodwill

- (1) The goodwill is mainly attributable to the expected synergies arising from the acquisition of CCB Asia and CCB Indonesia. The movements of the goodwill are as follows:

	2025	2024
As at 1 January	2,522	2,456
Additions through acquisitions	38	28
Allowances for impairment losses (Note 36)	(4)	(4)
Effect of exchange difference and others	(140)	42
As at 31 December	2,416	2,522

- (2) Impairment test for CGU containing goodwill

The Group calculated the recoverable amounts of CGUs (including goodwill) in accordance with accounting policies. The Group estimated present values of future cash flows of CGUs using expected future cash flow projections based on financial forecasts approved by management. The average growth rates used by the Group were consistent with the forecasts in industry reports, while the discount rates reflected specific risks relating to relevant segments. The Group estimated net amounts of fair value less costs of disposal based on net assets within the CGUs.

As at 31 December 2025, the Group's goodwill impairment provision amounted to RMB40 million (as at 31 December 2024: RMB39 million).

34 Deferred tax

	31 December 2025	31 December 2024
Deferred tax assets	139,747	120,485
Deferred tax liabilities	(2,576)	(1,525)
Total	137,171	118,960

- (1) Analysed by nature

	31 December 2025		31 December 2024	
	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)
Deferred tax assets				
– Fair value adjustments	(25,347)	(6,490)	(92,885)	(23,330)
– Allowances for impairment losses	558,505	139,123	542,241	135,185
– Employee benefits	59,196	14,736	49,883	12,470
– Others	(30,324)	(7,622)	(14,349)	(3,840)
Total	562,030	139,747	484,890	120,485
Deferred tax liabilities				
– Fair value adjustments	(19,356)	(4,460)	(2,733)	(527)
– Others	7,486	1,884	(4,140)	(998)
Total	(11,870)	(2,576)	(6,873)	(1,525)



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34 Deferred tax (continued)**(2) Movements of deferred tax**

	Fair value adjustments	Allowances for impairment losses	Employee benefits	Others	Total
As at 1 January 2025	(23,857)	135,185	12,470	(4,838)	118,960
Recognised in profit or loss	782	3,938	2,266	712	7,698
Recognised in other comprehensive income	12,125	–	–	(1,612)	10,513
As at 31 December 2025	(10,950)	139,123	14,736	(5,738)	137,171
As at 1 January 2024	(7,883)	132,164	5,318	(10,096)	119,503
Recognised in profit or loss	(1,863)	3,021	7,152	(2,966)	5,344
Recognised in other comprehensive income	(14,111)	–	–	8,224	(5,887)
As at 31 December 2024	(23,857)	135,185	12,470	(4,838)	118,960

The Group did not have significant unrecognised deferred tax as at the end of the reporting period.

35 Other assets

	Note	31 December 2025	31 December 2024
Reposessed assets	(1)		
– Buildings		881	996
– Land use rights		6	16
– Others		–	6
		887	1,018
Clearing and settlement accounts		135,936	82,283
Right-of-use assets	(2)	22,942	25,119
Insurance related assets	(3)	16,749	16,737
Fee and commission receivables		14,374	20,512
Investment properties		12,442	13,761
Leasehold improvements		3,922	4,228
Deferred expenses		1,438	1,598
Others		91,045	92,461
Gross balance		299,735	257,717
Allowances for impairment losses (Note 36)			
– Reposessed assets		(716)	(765)
– Others		(10,670)	(12,228)
		(11,386)	(12,993)
Net balance		288,349	244,724

- (1) For the year ended 31 December 2025, the original cost of reposessed assets disposed of by the Group amounted to RMB297 million (for the year ended 31 December 2024: RMB122 million). The Group intends to dispose of reposessed assets through various methods including auction, competitive bidding and transfer.



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35 Other assets (continued)

(2) Right-of-use assets

	Bank premises	Others	Total
Cost			
As at 1 January 2025	47,156	189	47,345
Additions	7,722	43	7,765
Other movements	(10,281)	(46)	(10,327)
As at 31 December 2025	44,597	186	44,783
Accumulated depreciation			
As at 1 January 2025	(22,143)	(83)	(22,226)
Charge for the year	(6,995)	(54)	(7,049)
Other movements	7,401	33	7,434
As at 31 December 2025	(21,737)	(104)	(21,841)
Allowances for impairment losses (Note 36)			
As at 1 January 2025	(228)	–	(228)
Charge for the year	(25)	–	(25)
Other movements	6	–	6
As at 31 December 2025	(247)	–	(247)
Net carrying value			
As at 1 January 2025	24,785	106	24,891
As at 31 December 2025	22,613	82	22,695



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(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

35 Other assets (continued)

(2) Right-of-use assets (continued)

	Bank premises	Others	Total
Cost			
As at 1 January 2024	49,640	150	49,790
Additions	7,869	99	7,968
Other movements	(10,353)	(60)	(10,413)
As at 31 December 2024	47,156	189	47,345
Accumulated depreciation			
As at 1 January 2024	(23,730)	(92)	(23,822)
Charge for the year	(7,523)	(45)	(7,568)
Other movements	9,110	54	9,164
As at 31 December 2024	(22,143)	(83)	(22,226)
Allowances for impairment losses (Note 36)			
As at 1 January 2024	(250)	–	(250)
Charge for the year	–	–	–
Other movements	22	–	22
As at 31 December 2024	(228)	–	(228)
Net carrying value			
As at 1 January 2024	25,660	58	25,718
As at 31 December 2024	24,785	106	24,891

Other movements include exchange differences.

(3) Insurance-related assets

The total for groups of insurance contracts issued and reinsurance contracts that are assets as follows:

	31 December 2025	31 December 2024
Insurance contracts issued		
– Insurance contracts issued not applying the premium allocation approach	23	27
– Insurance contracts issued applying the premium allocation approach	–	–
Subtotal	23	27
Reinsurance contracts held		
– Reinsurance contracts held not applying the premium allocation approach	15,543	15,492
– Reinsurance contracts held applying the premium allocation approach	1,183	1,218
Subtotal	16,726	16,710
Total	16,749	16,737



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(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

36 Movements of allowances for impairment losses

		2025				
	Note	As at 1 January	(Reversal)/ charge for the year	Transfer in/(out)	Write-offs and others	As at 31 December
Deposits with banks and non-bank financial institutions	21	107	(52)	–	–	55
Precious metals		1	(1)	–	–	–
Placements with banks and non-bank financial institutions	22	431	(177)	6	–	260
Financial assets held under resale agreements	24	33	(11)	–	–	22
Loans and advances to customers measured at amortised cost	25	802,894	147,895	(66,171)	(38,581)	846,037
Financial assets measured at amortised cost	26(2)(a)	26,519	(1,326)	(1,449)	(1,037)	22,707
Long-term equity investments	27	44	29	–	–	73
Fixed assets	29	1,490	319	–	(235)	1,574
Land use rights	31	133	–	–	(1)	132
Intangible assets	32	9	3	–	–	12
Goodwill	33	39	4	(1)	(2)	40
Other assets	35	12,993	1,454	329	(3,390)	11,386
Total		844,693	148,137	(67,286)	(43,246)	882,298
		2024				
	Note	As at 1 January	(Reversal)/ charge for the year	Transfer in/(out)	Write-offs and others	As at 31 December
Deposits with banks and non-bank financial institutions	21	160	(60)	7	–	107
Precious metals		1	–	–	–	1
Placements with banks and non-bank financial institutions	22	951	(516)	(4)	–	431
Financial assets held under resale agreements	24	162	(129)	–	–	33
Loans and advances to customers measured at amortised cost	25	778,223	118,516	(37,551)	(56,294)	802,894
Financial assets measured at amortised cost	26(2)(a)	24,846	6,007	(3,228)	(1,106)	26,519
Long-term equity investments	27	44	–	–	–	44
Fixed assets	29	1,467	243	(2)	(218)	1,490
Land use rights	31	133	–	–	–	133
Intangible assets	32	9	–	–	–	9
Goodwill	33	409	4	(3)	(371)	39
Other assets	35	12,976	3,553	(387)	(3,149)	12,993
Total		819,381	127,618	(41,168)	(61,138)	844,693

Transfer in/(out) includes exchange differences.



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37 Borrowings from central banks

	31 December 2025	31 December 2024
The Chinese mainland	1,046,397	860,733
Overseas	41,726	73,103
Accrued interest	8,184	8,758
Total	1,096,307	942,594

38 Deposits from banks and non-bank financial institutions**(1) Analysed by type of counterparties**

	31 December 2025	31 December 2024
Banks	307,834	174,292
Non-bank financial institutions	3,948,866	2,631,776
Accrued interest	30,517	29,817
Total	4,287,217	2,835,885

(2) Analysed by geographical sectors

	31 December 2025	31 December 2024
The Chinese mainland	4,123,735	2,671,982
Overseas	132,965	134,086
Accrued interest	30,517	29,817
Total	4,287,217	2,835,885

39 Placements from banks and non-bank financial institutions**(1) Analysed by type of counterparties**

	31 December 2025	31 December 2024
Banks	451,826	436,847
Non-bank financial institutions	43,859	38,257
Accrued interest	4,272	4,777
Total	499,957	479,881



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(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

39 Placements from banks and non-bank financial institutions (continued)

(2) Analysed by geographical sectors

	31 December 2025	31 December 2024
The Chinese mainland	189,769	146,681
Overseas	305,916	328,423
Accrued interest	4,272	4,777
Total	499,957	479,881

40 Financial liabilities measured at fair value through profit or loss

	31 December 2025	31 December 2024
Financial liabilities related to precious metals	59,531	17,720
Structured financial instruments	264,699	222,873
Total	324,230	240,593

The structured financial instruments included under the Group's financial liabilities measured at fair value through profit or loss are designated as financial liabilities measured at fair value through profit or loss. As at the end of the reporting period, the difference between the fair value of these financial liabilities and the contractual payables at maturity was not material. The amounts of changes in the fair value of these financial liabilities that were attributable to changes in credit risk of that liabilities were considered not significant during the year presented and cumulatively as at 31 December 2025 and 2024.

41 Financial assets sold under repurchase agreements

Financial assets sold under repurchase agreements analysed by underlying assets are shown as follows:

	31 December 2025	31 December 2024
Debt securities		
– Government bonds	1,459,482	727,635
– Debt securities issued by policy banks, banks and non-bank financial institutions	21,992	8,431
– Corporate bonds	1,146	1,140
Subtotal	1,482,620	737,206
Discounted bills	4,129	1,290
Accrued interest	4,183	1,422
Total	1,490,932	739,918



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42 Deposits from customers

	31 December 2025	31 December 2024
Demand deposits		
– Corporate customers	6,524,221	6,459,892
– Personal customers	6,278,481	5,853,434
Subtotal	12,802,702	12,313,326
Time deposits (including call deposits)		
– Corporate customers	5,622,093	5,320,081
– Personal customers	11,955,803	10,605,165
Subtotal	17,577,896	15,925,246
Accrued interest	454,976	475,298
Total	30,835,574	28,713,870
Deposits from customers include:		
	31 December 2025	31 December 2024
(1) Pledged deposits		
– Deposits for acceptance	183,924	178,606
– Deposits for letter of credit	43,906	29,276
– Deposits for guarantee	28,139	31,362
– Others	143,707	105,663
Total	399,676	344,907
(2) Outward remittance and remittance payables	10,615	16,938



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43 Accrued staff costs

	Note	2025			
		As at 1 January	Increased	Decreased	As at 31 December
Salaries, bonuses, allowances and subsidies		44,768	89,928	(80,946)	53,750
Housing funds		157	8,401	(8,413)	145
Union running costs and employee education costs		9,103	3,187	(2,589)	9,701
Post-employment benefits	(1)	701	17,106	(17,341)	466
Early retirement benefits		763	2	(32)	733
Compensation to employees for termination of employment relationship		–	30	(30)	–
Others	(2)	5,169	19,148	(19,108)	5,209
Total		60,661	137,802	(128,459)	70,004

	Note	2024			
		As at 1 January	Increased	Decreased	As at 31 December
Salaries, bonuses, allowances and subsidies		37,161	88,276	(80,669)	44,768
Housing funds		304	8,255	(8,402)	157
Union running costs and employee education costs		8,732	2,874	(2,503)	9,103
Post-employment benefits	(1)	889	17,321	(17,509)	701
Early retirement benefits		793	4	(34)	763
Compensation to employees for termination of employment relationship		–	45	(45)	–
Others	(2)	4,689	18,484	(18,004)	5,169
Total		52,568	135,259	(127,166)	60,661

The Group had no overdue balance of accrued staff costs as at the end of the reporting period.

(1) Post-employment benefits

(a) Defined contribution plans

	2025			
	As at 1 January	Increased	Decreased	As at 31 December
Basic pension insurance	345	10,841	(10,657)	529
Unemployment insurance	60	388	(385)	63
Annuity contribution	791	6,165	(6,299)	657
Total	1,196	17,394	(17,341)	1,249

	2024			
	As at 1 January	Increased	Decreased	As at 31 December
Basic pension insurance	532	10,608	(10,795)	345
Unemployment insurance	64	390	(394)	60
Annuity contribution	867	6,187	(6,263)	791
Total	1,463	17,185	(17,452)	1,196

There were no contributions into the Group's basic retirement insurance and annuity scheme that had been forfeited and that could be used to deduct contributions payable by the Group according to the above plans.



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43 Accrued staff costs (continued)**(1) Post-employment benefits** (continued)**(b) Defined benefit plans – Supplementary retirement benefits**

The Group's obligations in respect of the supplementary retirement benefits as at the end of the reporting period were calculated using the projected unit credit method and reviewed by an external independent actuary, Towers Watson Management Consulting (ShenZhen) Co., Ltd.

	Present value of defined benefit plan obligations		Fair value of plan assets		Net assets of defined benefit plans	
	2025	2024	2025	2024	2025	2024
As at 1 January	4,271	4,343	4,766	4,917	(495)	(574)
Cost of the net defined benefit liability in profit or loss						
– Interest costs	70	97	79	111	(9)	(14)
Remeasurements of the defined benefit liability in other comprehensive income						
– Actuarial (gains)/losses	(113)	136	–	–	(113)	136
– Returns on plan assets	–	–	166	43	(166)	(43)
Other changes						
– Benefits paid	(284)	(305)	(284)	(305)	–	–
As at 31 December	3,944	4,271	4,727	4,766	(783)	(495)

Interest cost was recognised in operating expenses.

(i) Principal actuarial assumptions of the Group as at the end of the reporting period were as follows:

	31 December 2025	31 December 2024
Discount rate	1.75%	1.75%
Health care cost increase rate	7.00%	7.00%
Average expected future lifetime of eligible employees	9.2 years	9.6 years

Mortality assumptions are based on China Life Insurance Mortality Table (2010-2013). The Table published historical statistics in China.

(ii) The sensitivity analysis of the present value of supplementary retirement benefit obligations to changes in the weighted principal assumption is:

	Impact on present value of supplementary retirement benefit obligations	
	Increase in assumption by 0.25%	Decrease in assumption by 0.25%
Discount rate	(76)	79
Health care cost increase rate	34	(33)



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43 Accrued staff costs (continued)

(1) Post-employment benefits (continued)

(b) Defined benefit plans – Supplementary retirement benefits (continued)

(iii) As at 31 December 2025, the weighted average duration of supplementary retirement benefit obligations of the Group was 7.8 years (as at 31 December 2024: 8.0 years).

(iv) Plan assets of the Group are as follows:

	31 December 2025	31 December 2024
Cash and cash equivalents	1,414	1,830
Equity instruments	778	663
Debt instruments and others	2,535	2,273
Total	4,727	4,766

(2) Accrued staff costs – others mainly include employee welfare, medical insurance, maternity insurance and employment injury insurance.

44 Taxes payable

	31 December 2025	31 December 2024
Income tax	13,425	28,324
Value added tax	14,752	9,778
Others	2,719	2,286
Total	30,896	40,388

45 Provisions

	Note	31 December 2025	31 December 2024
Expected credit losses on the off -balance sheet credit business	(1)	24,674	29,770
Expected losses from other businesses	(2)	1,132	8,552
Total		25,806	38,322



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45 Provisions (continued)**(1) Movements of the provisions – expected credit losses on the off-balance sheet credit business:**

	Note	2025			
		Stage 1	Stage 2	Stage 3	Total
As at 1 January 2025		23,342	4,646	1,782	29,770
Transfers:					
Transfers in/(out) to Stage 1		92	(92)	–	–
Transfers in/(out) to Stage 2		(32)	32	–	–
Transfers in/(out) to Stage 3		–	(69)	69	–
Newly originated		9,626	–	–	9,626
Decreased		(10,308)	(3,459)	(355)	(14,122)
Remeasurements	(a)	(2,783)	1,606	577	(600)
As at 31 December 2025		19,937	2,664	2,073	24,674
	Note	2024			
		Stage 1	Stage 2	Stage 3	Total
As at 1 January 2024		28,385	4,782	1,433	34,600
Transfers:					
Transfers in/(out) to Stage 1		178	(178)	–	–
Transfers in/(out) to Stage 2		(40)	42	(2)	–
Transfers in/(out) to Stage 3		–	(69)	69	–
Newly originated		10,445	–	–	10,445
Decreased		(14,264)	(3,625)	(478)	(18,367)
Remeasurements	(a)	(1,362)	3,694	760	3,092
As at 31 December 2024		23,342	4,646	1,782	29,770

(a) Remeasurements comprise the impact of changes in PD, LGD, and EAD; changes in model assumptions and methodologies; changes in allowance for impairment losses due to stage-transfer; and the impact of exchange rate changes, etc.

- (2) Other businesses include off-balance sheet businesses other than the off-balance sheet credit business, outstanding litigations and the precious metal leasing business.

46 Debt securities issued

	Note	31 December 2025	31 December 2024
Interbank certificates of deposit issued/Certificates of deposit	(1)	1,595,703	1,553,226
Bonds issued	(2)	285,477	166,658
Subordinated bonds issued	(3)	11,998	11,998
Non-capital TLAC bonds issued	(4)	49,998	49,997
Eligible Tier 2 capital bonds issued	(5)	638,904	594,092
Accrued interest		11,444	10,624
Total		2,593,524	2,386,595



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46 Debt securities issued (continued)

- (1) Interbank certificates of deposit issued/certificates of deposit were mainly issued by the Head Office, overseas branches, CCB New Zealand and CCB Europe.

(2) Bonds issued

Issue date	Maturity date	Interest rate per annum	Issue place	Currency	31 December 2025	31 December 2024
16/05/2019	16/05/2029	3.88%	Hong Kong	USD	1,406	1,438
16/03/2020	15/03/2025	2.75%	The Chinese mainland	RMB	–	5,000
21/07/2020	21/07/2025	1.99%	Hong Kong	USD	–	3,244
28/09/2020	28/09/2025	1.78%	Hong Kong	USD	–	1,438
28/09/2020	28/09/2030	2.55%	Hong Kong	USD	703	719
22/04/2021	22/04/2026	1.46%	Hong Kong	USD	3,843	4,015
22/07/2021	22/07/2026	1.80%	Hong Kong	USD	3,169	3,291
15/09/2021	15/09/2026	1.60%	Hong Kong	USD	2,322	2,510
29/09/2021	29/09/2026	1.50%	Hong Kong	USD	4,891	5,110
17/05/2022	17/05/2025	3.125%	Hong Kong	USD	–	7,299
23/05/2022	25/05/2025	2.60%	The Chinese mainland	RMB	–	10,000
12/12/2022	14/12/2025	2.92%	The Chinese mainland	RMB	–	10,000
09/02/2023	09/02/2026	3M New Zealand benchmark interest rate+1.10%	Auckland	NZD	906	924
22/03/2023	24/03/2026	2.80%	The Chinese mainland	RMB	10,000	10,000
31/05/2023	31/05/2025	2.80%	United Kingdom	RMB	–	1,989
02/11/2023	02/11/2026	3M New Zealand benchmark interest rate+1.20%	Auckland	NZD	604	616
24/11/2023	24/11/2026	3.80%	Luxembourg	EUR	819	760
30/11/2023	30/11/2026	3.88%	Luxembourg	EUR	2,458	2,281
30/11/2023	30/11/2026	SOFR+0.65%	Dubai	USD	4,192	4,380
30/11/2023	30/11/2026	5.00%	Hong Kong	USD	3,494	3,650
28/02/2024	01/03/2027	2.35%	The Chinese mainland	RMB	20,000	20,000
28/02/2024	01/03/2029	2.50%	The Chinese mainland	RMB	10,000	10,000
09/04/2024	11/04/2027	2.44%	The Chinese mainland	RMB	2,700	2,700
12/06/2024	14/06/2027	2.15%	The Chinese mainland	RMB	2,800	2,700
16/07/2024	16/07/2027	SOFR+0.55%	Hong Kong	USD	6,987	7,300
16/07/2024	16/07/2027	2.83%	United Kingdom	RMB	2,002	1,989
09/09/2024	11/09/2027	2.05%	Hong Kong	RMB	2,401	2,389
23/10/2024	25/10/2027	1.88%	The Chinese mainland	RMB	20,000	20,000
23/10/2024	25/10/2027	2.08%	The Chinese mainland	RMB	21,000	21,000
09/01/2025	13/01/2028	1.69%	The Chinese mainland	RMB	1,000	–
23/04/2025	25/04/2028	1.87%	The Chinese mainland	RMB	1,200	–
13/05/2025	13/05/2028	2.335%	Luxembourg	EUR	819	–
22/05/2025	26/05/2028	1.65%	The Chinese mainland	RMB	25,000	–
22/05/2025	26/05/2030	1.76%	The Chinese mainland	RMB	5,000	–
28/05/2025	28/05/2028	SOFR+0.52%	Hong Kong	USD	6,987	–
28/05/2025	28/05/2030	SOFR+0.60%	Hong Kong	USD	3,494	–
28/05/2025	28/05/2028	1.90%	Hong Kong	RMB	2,001	–
29/05/2025	29/05/2028	1.90%	Luxembourg	RMB	800	–
10/06/2025	12/06/2028	1.75%	The Chinese mainland	RMB	1,600	–
17/06/2025	16/06/2028	1.87%	Luxembourg	RMB	1,000	–
27/06/2025	23/06/2028	1.86%	Luxembourg	RMB	1,200	–
03/07/2025	07/07/2028	1.57%	The Chinese mainland	RMB	20,000	–
03/07/2025	07/07/2028	60-day arithmetic average of DR007 plus a fixed spread of 0%	The Chinese mainland	RMB	10,000	–
22/07/2025	24/07/2028	1.75%	The Chinese mainland	RMB	2,200	–
11/09/2025	11/09/2028	1.89%	United Kingdom	RMB	2,002	–
11/09/2025	11/09/2028	SOFR+0.5%	United Kingdom	USD	6,987	–
11/09/2025	11/09/2030	SOFR+0.58%	United Kingdom	USD	3,494	–
17/09/2025	17/09/2028	SOFR+0.62%	Hong Kong	USD	4,089	–
24/09/2025	26/09/2028	1.85%	The Chinese mainland	RMB	30,000	–
04/11/2025	06/11/2028	1.72%	The Chinese mainland	RMB	24,000	–
04/11/2025	06/11/2028	1-year LPR plus a fixed spread of -1.21%	The Chinese mainland	RMB	6,000	–
Total nominal value					285,570	166,742
Less: Unamortised issuance costs					(93)	(84)
Carrying value					285,477	166,658



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46 Debt securities issued (continued)**(3) Subordinated bonds issued**

The carrying value of the Group's subordinated bonds issued upon the approval of the PBOC and the NFRA is as follows:

Issue date	Maturity date	Interest rate per annum	Currency	Note	31 December 2025	31 December 2024
28/01/2021	01/02/2031	4.30%	RMB	(a)	6,000	6,000
18/03/2022	22/03/2032	3.70%	RMB	(b)	2,000	2,000
13/09/2023	14/09/2033	3.45%	RMB	(c)	4,000	4,000
Total nominal value					12,000	12,000
Less: Unamortised issuance cost					(2)	(2)
Carrying value					11,998	11,998

(a) The Group has an option to redeem part or all of the bonds on 1 February 2026, subject to registration from the PBOC and the NFRA.

(b) The Group has an option to redeem part or all of the bonds on 22 March 2027, subject to registration from the PBOC and the NFRA.

(c) The Group has an option to redeem part or all of the bonds on 14 September 2028, subject to registration from the PBOC and the NFRA.

(4) Non-capital TLAC bonds issued

Issue date	Maturity date	Interest rate per annum	Currency	Note	31 December 2025	31 December 2024
08/08/2024	12/08/2028	2.00%	RMB	(a)	35,000	35,000
08/08/2024	12/08/2030	2.10%	RMB	(b)	15,000	15,000
Total nominal value					50,000	50,000
Less: Unamortised issuance cost					(2)	(3)
Carrying value					49,998	49,997

(a) This bond issuance sets forth the right of the issuer to choose early redemption, and the Group has an option to redeem these bonds on 12 August 2027, subject to regulatory requirements. When the issuer enters the disposal stage, the PBOC and the NFRA may mandate that bonds be partially or fully written down in the current period after all Tier 2 capital instruments have been written down or converted into ordinary shares.

(b) This bond issuance sets forth the right of the issuer to choose early redemption, and the Group has an option to redeem these bonds on 12 August 2029, subject to regulatory requirements. When the issuer enters the disposal stage, the PBOC and the NFRA may mandate that bonds be partially or fully written down in the current period after all Tier 2 capital instruments have been written down or converted into ordinary shares.



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46 Debt securities issued (continued)

(5) Eligible Tier 2 capital bonds issued

Issue date	Maturity date	Interest rate per annum	Currency	Note	31 December 2025	31 December 2024
24/06/2020	24/06/2030	2.45%	USD	(a)	–	14,599
10/09/2020	14/09/2030	4.20%	RMB	(b)	–	65,000
06/08/2021	10/08/2031	3.45%	RMB	(c)	65,000	65,000
06/08/2021	10/08/2036	3.80%	RMB	(d)	15,000	15,000
05/11/2021	09/11/2031	3.60%	RMB	(e)	35,000	35,000
05/11/2021	09/11/2036	3.80%	RMB	(f)	10,000	10,000
10/12/2021	14/12/2031	3.48%	RMB	(g)	12,000	12,000
10/12/2021	14/12/2036	3.74%	RMB	(h)	8,000	8,000
13/01/2022	21/01/2032	2.85%	USD	(i)	13,975	14,599
15/06/2022	17/06/2032	3.45%	RMB	(j)	45,000	45,000
15/06/2022	17/06/2037	3.65%	RMB	(k)	15,000	15,000
03/11/2022	07/11/2032	3.00%	RMB	(l)	25,000	25,000
03/11/2022	07/11/2037	3.34%	RMB	(m)	15,000	15,000
24/03/2023	28/03/2033	3.49%	RMB	(n)	5,000	5,000
24/03/2023	28/03/2038	3.61%	RMB	(o)	15,000	15,000
24/10/2023	26/10/2033	3.45%	RMB	(p)	45,000	45,000
24/10/2023	26/10/2038	3.53%	RMB	(q)	15,000	15,000
14/11/2023	16/11/2033	3.30%	RMB	(r)	25,000	25,000
14/11/2023	16/11/2038	3.42%	RMB	(s)	15,000	15,000
01/02/2024	05/02/2034	2.75%	RMB	(t)	20,000	20,000
01/02/2024	05/02/2039	2.82%	RMB	(u)	30,000	30,000
04/07/2024	08/07/2034	2.21%	RMB	(v)	40,000	40,000
04/07/2024	08/07/2039	2.37%	RMB	(w)	10,000	10,000
26/12/2024	30/12/2034	1.96%	RMB	(x)	35,000	35,000
25/03/2025	27/03/2035	2.07%	RMB	(y)	40,000	–
23/07/2025	25/07/2035	1.94%	RMB	(z)	40,000	–
23/07/2025	25/07/2040	2.13%	RMB	(aa)	5,000	–
04/12/2025	08/12/2035	2.24%	RMB	(ab)	40,000	–
Total nominal value					638,975	594,198
Less: Unamortised issuance cost					(71)	(106)
Carrying value					638,904	594,092



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46 Debt securities issued (continued)**(5) Eligible Tier 2 capital bonds issued (continued)**

- (a) The Group elected to exercise the option to redeem all the bonds on 24 June 2025.
- (b) The Group elected to exercise the option to redeem all the bonds on 14 September 2025.
- (c) The Group has an option to redeem the bonds on 10 August 2026, subject to agreement from the relevant authority. These eligible Tier 2 capital bonds have the write-down feature of a Tier 2 capital instrument, which allows the Bank to write down in full or in part the principal of the bonds when a regulatory triggering event occurs. The accumulated unpaid interest associated with the portion of bonds written off will not be paid either.
- (d) The Group has an option to redeem the bonds on 10 August 2031, subject to agreement from the relevant authority. These eligible Tier 2 capital bonds have the write-down feature of a Tier 2 capital instrument, which allows the Bank to write down in full or in part the principal of the bonds when a regulatory triggering event occurs. The accumulated unpaid interest associated with the portion of bonds written off will not be paid either.
- (e) The Group has an option to redeem the bonds on 9 November 2026, subject to agreement from the relevant authority. These eligible Tier 2 capital bonds have the write-down feature of a Tier 2 capital instrument, which allows the Bank to write down in full or in part the principal of the bonds when a regulatory triggering event occurs. The accumulated unpaid interest associated with the portion of bonds written off will not be paid either.
- (f) The Group has an option to redeem the bonds on 9 November 2031, subject to agreement from the relevant authority. These eligible Tier 2 capital bonds have the write-down feature of a Tier 2 capital instrument, which allows the Bank to write down in full or in part the principal of the bonds when a regulatory triggering event occurs. The accumulated unpaid interest associated with the portion of bonds written off will not be paid either.
- (g) The Group has an option to redeem the bonds on 14 December 2026, subject to agreement from the relevant authority. These eligible Tier 2 capital bonds have the write-down feature of a Tier 2 capital instrument, which allows the Bank to write down in full or in part the principal of the bonds when a regulatory triggering event occurs. The accumulated unpaid interest associated with the portion of bonds written off will not be paid either.
- (h) The Group has an option to redeem the bonds on 14 December 2031, subject to agreement from the relevant authority. These eligible Tier 2 capital bonds have the write-down feature of a Tier 2 capital instrument, which allows the Bank to write down in full or in part the principal of the bonds when a regulatory triggering event occurs. The accumulated unpaid interest associated with the portion of bonds written off will not be paid either.
- (i) The Group has an option to redeem the bonds on 21 January 2027, subject to agreement from the relevant authority. These eligible Tier 2 capital bonds have the write-down feature of a Tier 2 capital instrument, which allows the Bank to write down in full or in part the principal of the bonds when a regulatory triggering event occurs. The accumulated unpaid interest associated with the portion of bonds written off will not be paid either.
- (j) The Group has an option to redeem the bonds on 17 June 2027, subject to agreement from the relevant authority. These eligible Tier 2 capital bonds have the write-down feature of a Tier 2 capital instrument, which allows the Bank to write down in full or in part the principal of the bonds when a regulatory triggering event occurs. The accumulated unpaid interest associated with the portion of bonds written off will not be paid either.
- (k) The Group has an option to redeem the bonds on 17 June 2032, subject to agreement from the relevant authority. These eligible Tier 2 capital bonds have the write-down feature of a Tier 2 capital instrument, which allows the Bank to write down in full or in part the principal of the bonds when a regulatory triggering event occurs. The accumulated unpaid interest associated with the portion of bonds written off will not be paid either.
- (l) The Group has an option to redeem the bonds on 7 November 2027, subject to agreement from the relevant authority. These eligible Tier 2 capital bonds have the write-down feature of a Tier 2 capital instrument, which allows the Bank to write down in full or in part the principal of the bonds when a regulatory triggering event occurs. The accumulated unpaid interest associated with the portion of bonds written off will not be paid either.
- (m) The Group has an option to redeem the bonds on 7 November 2032, subject to agreement from the relevant authority. These eligible Tier 2 capital bonds have the write-down feature of a Tier 2 capital instrument, which allows the Bank to write down in full or in part the principal of the bonds when a regulatory triggering event occurs. The accumulated unpaid interest associated with the portion of bonds written off will not be paid either.
- (n) The Group has an option to redeem the bonds on 28 March 2028, subject to agreement from the relevant authority. These eligible Tier 2 capital bonds have the write-down feature of a Tier 2 capital instrument, which allows the Bank to write down in full or in part the principal of the bonds when a regulatory triggering event occurs. The accumulated unpaid interest associated with the portion of bonds written off will not be paid either.
- (o) The Group has an option to redeem the bonds on 28 March 2033, subject to agreement from the relevant authority. These eligible Tier 2 capital bonds have the write-down feature of a Tier 2 capital instrument, which allows the Bank to write down in full or in part the principal of the bonds when a regulatory triggering event occurs. The accumulated unpaid interest associated with the portion of bonds written off will not be paid either.



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46 Debt securities issued (continued)

(5) Eligible Tier 2 capital bonds issued (continued)

- (p) The Group has an option to redeem the bonds on 26 October 2028, subject to agreement from the relevant authority. These eligible Tier 2 capital bonds have the write-down feature of a Tier 2 capital instrument, which allows the Bank to write down in full or in part the principal of the bonds when a regulatory triggering event occurs. The accumulated unpaid interest associated with the portion of bonds written off will not be paid either.
 - (q) The Group has an option to redeem the bonds on 26 October 2033 subject to agreement from the relevant authority. These eligible Tier 2 capital bonds have the write-down feature of a Tier 2 capital instrument, which allows the Bank to write down in full or in part the principal of the bonds when a regulatory triggering event occurs. The accumulated unpaid interest associated with the portion of bonds written off will not be paid either.
 - (r) The Group has an option to redeem the bonds on 16 November 2028 subject to agreement from the relevant authority. These eligible Tier 2 capital bonds have the write-down feature of a Tier 2 capital instrument, which allows the Bank to write down in full or in part the principal of the bonds when a regulatory triggering event occurs. The accumulated unpaid interest associated with the portion of bonds written off will not be paid either.
 - (s) The Group has an option to redeem the bonds on 16 November 2033, subject to agreement from the relevant authority. These eligible Tier 2 capital bonds have the write-down feature of a Tier 2 capital instrument, which allows the Bank to write down in full or in part the principal of the bonds when a regulatory triggering event occurs. The accumulated unpaid interest associated with the portion of bonds written off will not be paid either.
 - (t) The Group has an option to redeem the bonds on 5 February 2029, subject to agreement from the relevant authority. These eligible Tier 2 capital bonds have the write-down feature of a Tier 2 capital instrument, which allows the Bank to write down in full or in part the principal of the bonds when a regulatory triggering event occurs. The accumulated unpaid interest associated with the portion of bonds written off will not be paid either.
 - (u) The Group has an option to redeem the bonds on 5 February 2034, subject to agreement from the relevant authority. These eligible Tier 2 capital bonds have the write-down feature of a Tier 2 capital instrument, which allows the Bank to write down in full or in part the principal of the bonds when a regulatory triggering event occurs. The accumulated unpaid interest associated with the portion of bonds written off will not be paid either.
 - (v) The Group has an option to redeem the bonds on 8 July 2029, subject to agreement from the relevant authority. These eligible Tier 2 capital bonds have the write-down feature of a Tier 2 capital instrument, which allows the Bank to write down in full or in part the principal of the bonds when a regulatory triggering event occurs. The accumulated unpaid interest associated with the portion of bonds written off will not be paid either.
 - (w) The Group has an option to redeem the bonds on 8 July 2034, subject to agreement from the relevant authority. These eligible Tier 2 capital bonds have the write-down feature of a Tier 2 capital instrument, which allows the Bank to write down in full or in part the principal of the bonds when a regulatory triggering event occurs. The accumulated unpaid interest associated with the portion of bonds written off will not be paid either.
 - (x) The Group has an option to redeem the bonds on 30 December 2029, subject to agreement from the relevant authority. These eligible Tier 2 capital bonds have the write-down feature of a Tier 2 capital instrument, which allows the Bank to write down in full or in part the principal of the bonds when a regulatory triggering event occurs. The accumulated unpaid interest associated with the portion of bonds written off will not be paid either.
 - (y) The Group has an option to redeem the bonds on 27 March 2030, subject to agreement from the relevant authority. These eligible Tier 2 capital bonds have the write-down feature of a Tier 2 capital instrument, which allows the Bank to write down in full or in part the principal of the bonds when a regulatory triggering event occurs. The accumulated unpaid interest associated with the portion of bonds written off will not be paid either.
 - (z) The Group has an option to redeem the bonds on 25 July 2030, subject to agreement from the relevant authority. These eligible Tier 2 capital bonds have the write-down feature of a Tier 2 capital instrument, which allows the Bank to write down in full or in part the principal of the bonds when a regulatory triggering event occurs. The accumulated unpaid interest associated with the portion of bonds written off will not be paid either.
 - (aa) The Group has an option to redeem the bonds on 25 July 2035, subject to agreement from the relevant authority. These eligible Tier 2 capital bonds have the write-down feature of a Tier 2 capital instrument, which allows the Bank to write down in full or in part the principal of the bonds when a regulatory triggering event occurs. The accumulated unpaid interest associated with the portion of bonds written off will not be paid either.
 - (ab) The Group has an option to redeem the bonds on 8 December 2030, subject to agreement from the relevant authority. These eligible Tier 2 capital bonds have the write-down feature of a Tier 2 capital instrument, which allows the Bank to write down in full or in part the principal of the bonds when a regulatory triggering event occurs. The accumulated unpaid interest associated with the portion of bonds written off will not be paid either.
- (6) In 2025 and 2024, there were no defaults by the Group on principal and interests, nor were there any other defaults related to debt securities issued.



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47 Other liabilities

	Note	31 December 2025	31 December 2024
Insurance related liabilities	(1)	288,165	276,617
Clearing and settlement accounts		85,352	142,043
Dividend payable		46,822	49,252
Lease liabilities	(2)	21,980	23,920
Payment and collection clearance accounts		17,955	18,447
Deferred income		14,857	15,626
Dormant accounts		9,313	8,527
Accrued expenses advance		9,207	9,506
Capital expenditure payable		5,641	4,962
Cash pledged and rental prepayments		1,792	2,797
Others		97,830	101,265
Total		598,914	652,962

(1) Insurance related liabilities

The total for groups of insurance contracts issued and reinsurance contracts that are liabilities as follows:

	31 December 2025	31 December 2024
Insurance contracts issued		
– Insurance contracts issued not applying the premium allocation approach	286,325	274,812
– Insurance contracts issued applying the premium allocation approach	1,839	1,802
Subtotal	288,164	276,614
Reinsurance contracts held		
– Reinsurance contracts held not applying the premium allocation approach	–	–
– Reinsurance contracts held applying the premium allocation approach	1	3
Subtotal	1	3
Total	288,165	276,617

(2) Lease liabilities

Maturity analysis – undiscounted analysis

	31 December 2025	31 December 2024
Within one year	6,338	6,657
Between one year and five years	13,148	13,623
More than five years	6,462	7,422
Total undiscounted lease liabilities	25,948	27,702
Lease liabilities	21,980	23,920



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48 Share capital

(1) Structure of share capital

	31 December 2025	31 December 2024
Listed in Hong Kong (H shares)	240,417	240,417
Listed in the Chinese mainland (A shares)	21,183	9,594
Total	261,600	250,011

All H and A shares are ordinary shares, have a par value of RMB1 per share and rank pari passu with the same rights and benefits.

(2) Changes in share capital

	2025
As at 1 January 2025	250,011
Issuance of A shares to specific investors	11,589
As at 31 December 2025	261,600

As described in Note 1, in 2025, the Bank issued 11,589 million ordinary A shares to specific investors, with a par value of RMB1 per share. The paid-in status of the above-mentioned share capital has been verified by Ernst & Young Hua Ming LLP, which issued the Capital Verification Report EYHM (2025) No. 70008881_A02 on 23 June 2025.

49 Other equity instruments

(1) Preference shares

(a) Preference shares outstanding as at the end of the reporting period

Financial instrument outstanding	Issuance date	Classification	Year-end dividend rate	Issuance price	Quantity (million shares)	Currency	Total amount	Maturity date	Redemption/conversion
2017 Domestic Preference Shares	21 December 2017	Equity instruments	3.57%	100 per share	600	RMB	60,000	No maturity date	None
Less: Issuance fee							(23)		
Carrying amount							59,977		

(b) The key terms

Dividend

The nominal dividend rate of the Domestic Preference Shares is adjusted on a phase-by-phase basis. It is the sum of the benchmark rate plus the fixed interest spread, and is adjusted every five years. The fixed interest spread is determined as the nominal dividend rate set for issuance less the benchmark rate at the time of issuance, and will not be subject to future adjustments. The dividends for domestic preference shares are non-cumulative. The Bank has the right to cancel dividend distribution on Domestic Preference Shares, and the cancellation does not constitute a default event. The Bank may, at its discretion, use the cancelled dividends to repay other indebtedness due and payable. If the Bank cancels all or part of the dividends on the Domestic Preference Shares, the Bank shall make no profit distribution to shareholders holding ordinary shares from the day after the cancellation proposal is adopted by the General Shareholders' Meeting to the day when full distribution of dividends is resumed. The cancellation of dividends on Domestic Preference Shares will not constitute other restrictions to the Bank except for the distribution of dividends to ordinary shareholders.

The dividends on the Domestic Preference Shares are distributed annually.



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49 Other equity instruments (continued)**(1) Preference shares** (continued)**(b) The key terms** (continued)*Redemption*

The Bank may, subject to the NFRA's approval and compliance with the redemption preconditions, redeem in whole or in part of the Domestic Preference Shares after at least five years from the completion date of the issuance (i.e., 27 December 2017). The redemption period begins from the first day of the redemption and ends on the day when all Domestic Preference Shares are redeemed or converted. The redemption price of the Domestic Preference Shares shall be their issue price plus any dividends accrued but unpaid in the current period.

Compulsory conversion of preference shares

If an Additional Tier 1 Capital Instrument Trigger Event occurs, i.e., the Common Equity Tier 1 ratio of the Bank has fallen to 5.125% or below, the Bank has the right to, without prior consent from the shareholders of the domestic preference shares and as agreed, convert all or part of the domestic preference shares issued and outstanding to ordinary A shares, to restore the Bank's Common Equity Tier 1 ratio to above the trigger point (i.e., 5.125%). In the case of partial conversion, the domestic preference shares shall be subject to the same proportion and conditions of conversion. Once domestic preference shares are converted to ordinary A shares, they shall not be converted back to preference shares under any circumstances.

When a Tier 2 Capital Instrument Trigger Event occurs, the Bank has the right to, without prior consent of the shareholders of the Domestic Preference Shares and as agreed, convert all the Domestic Preference Shares issued and outstanding to ordinary A shares. Once Domestic Preference Shares are converted to ordinary A shares, they shall not be converted back to preference shares under any circumstances. A Tier 2 Capital Instrument Trigger Event is the earlier of the following two scenarios: (i) the NFRA having decided that without a conversion or write-off of the Bank's capital, the Bank would become non-viable; and (ii) the relevant authorities having decided that a public sector injection of capital or equivalent support is necessary, without which the Bank would become non-viable. When the compulsory conversion of preference shares occurs, the Bank shall report to the NFRA for approval and decision, and perform the announcement obligation according to the regulations of the Securities Law and China Securities Regulatory Commission ("CSRC").

The Bank classified preference shares issued as an equity instrument and presented as an equity item on the statement of financial position. Capital raised from the issuance of the above preference shares, after deduction of the expenses relating to the issuance, was wholly used to replenish the Bank's additional tier 1 capital and to increase its capital adequacy ratios.

(c) Changes in preference shares outstanding

	1 January 2025		Increase/(Decrease)		31 December 2025	
	Quantity (million shares)	Carrying value	Quantity (million shares)	Carrying value	Quantity (million shares)	Carrying value
Financial instrument outstanding						
2017 Domestic Preference Shares	600	59,977	-	-	600	59,977
Total	600	59,977	-	-	600	59,977



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49 Other equity instruments (continued)**(2) Perpetual bonds****(a) Perpetual bonds outstanding at the end of the year**

Financial instrument outstanding	Issuance date	Classification	Year-end interest rate	Issuance price	Quantity (million units)	Currency	Total amount	Maturity date	Redemption/write-down conditions
2022 Undated Additional Tier 1 Capital Bonds	29 August 2022	Equity instruments	3.20%	100 per unit	400	RMB	40,000	No maturity date	None
2023 Undated Additional Tier 1 Capital Bonds (Series 1)	14 July 2023	Equity instruments	3.29%	100 per unit	300	RMB	30,000	No maturity date	None
2023 Undated Additional Tier 1 Capital Bonds (Series 2)	22 September 2023	Equity instruments	3.37%	100 per unit	300	RMB	30,000	No maturity date	None
2025 Undated Additional Tier 1 Capital Bonds (Series 1)	15 May 2025	Equity instruments	1.99%	100 per unit	400	RMB	40,000	No maturity date	None
Carrying amount							140,000		

(b) The key terms*Distribution rate and distribution payment*

The distribution rate of the Undated Additional Tier 1 Capital Bonds (or “the Bonds”) will be adjusted at defined intervals, with a distribution rate adjustment period every 5 years since the payment settlement date. In any distribution rate adjusted period, the distribution payments on the Bonds will be made at a prescribed fixed distribution rate. The distribution rate is determined by a benchmark rate plus a fixed interest spread.

The Bank shall have the right to cancel, in whole or in part, distributions on the Bonds and any such cancellation shall not constitute an event of default. When exercising such right, the Bank will take into full consideration the interest of the holders of the Bonds. The Bank may, at its sole discretion, use the proceeds from the cancelled distributions to meet other obligations as they fall due. In the case of cancelling any distributions on the Bonds, no matter in whole or in part, the Bank shall not make any distribution to the ordinary shareholders from the next day following the resolution being approved by the general shareholders meeting, until its decision to resume the distribution payments in whole to the holders of the Bonds. The distributions on the Bonds are non-cumulative, namely, upon cancellation, any amount of distribution unpaid to the holders of the Bonds in the applicable period will not accumulate or compound to the subsequent distribution period thereafter.

The distributions of the Bonds will be payable annually.

Conditional redemption rights of the Bank

From the fifth anniversary since the issuance of the Bonds, the Bank may redeem whole or part of the Bonds on each distribution payment date (including the fifth distribution payment date since the issuance). If, after the issuance, the Bonds no longer qualify as Additional Tier 1 Capital as a result of an unforeseeable change or amendment to relevant provisions of supervisory regulations, the Bank may redeem the whole but not part of the Bonds.

The exercise of the Bank's redemption right shall be subject to the consent of the NFRA and the satisfaction of the following preconditions: (i) the Bank shall use capital instruments of the same or better quality to replace the instruments to be redeemed, and such replacement shall only be carried out at conditions which are sustainable for the income capacity; (ii) or the capital position of the Bank after the redemption right is exercised will remain well above the regulatory capital requirements stipulated by the NFRA.



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(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

49 Other equity instruments (continued)**(2) Perpetual bonds (continued)****(b) The key terms (continued)***Write-down/write-off clauses*

Upon the occurrence of a Non-Viability Trigger Event, the Bank has the right to write down/write off in whole or in part, without the need for consent of the holders of the Bonds, the principal amount of the Bonds. The amount of the write-down/write-off shall be determined by the ratio of the outstanding principal amount of the Undated Additional Tier 1 Capital Bonds to the aggregate principal amount of all additional tier 1 capital instruments with the identical Trigger Event. A Non-Viability Trigger Event refers to the earlier of the following events: (i) the NFRA having decided that the Bank would become non-viable without a write-down/write-off; (ii) any relevant authority having decided that a public sector injection of capital or equivalent support is necessary, without which the Bank would become non-viable. The write-down/write-off will not be restored.

Subordination

The claims in respect of the Bonds will be subordinated to the claims of depositors, general creditors, and subordinated indebtedness that ranks senior to the Bonds; will rank in priority to all classes of shares held by the Bank's shareholders and rank pari passu with the claims in respect of any other additional tier 1 capital instruments of the Bank that rank pari passu with the Bonds.

The Bank classified the Bonds issued as an equity instrument and presented as an equity item on the statement of financial position. Capital raised from the issuance of the Bonds, after deduction of the expenses relating to the issuance, was wholly used to replenish the Bank's additional tier 1 capital and to increase its capital adequacy ratios.

(c) Changes in perpetual bonds outstanding

Financial instrument outstanding	1 January 2025		Increase/(Decrease)		31 December 2025	
	Quantity (million units)	Carrying value	Quantity (million units)	Carrying value	Quantity (million units)	Carrying value
2022 Undated Additional Tier 1 Capital Bonds	400	40,000	-	-	400	40,000
2023 Undated Additional Tier 1 Capital Bonds (Series 1)	300	30,000	-	-	300	30,000
2023 Undated Additional Tier 1 Capital Bonds (Series 2)	300	30,000	-	-	300	30,000
2025 Undated Additional Tier 1 Capital Bonds (Series 1)	-	-	400	40,000	400	40,000
Total	1,000	100,000	400	40,000	1,400	140,000

(3) Interests attributable to the holders of equity instruments

Items	31 December 2025	31 December 2024
1. Total equity attributable to equity holders of the Bank	3,663,411	3,322,127
(1) Equity attributable to ordinary equity holders of the Bank	3,463,434	3,162,150
(2) Equity attributable to other equity holders of the Bank	199,977	159,977
Of which: net profit	5,420	7,108
dividends received	5,420	7,108
2. Total equity attributable to non-controlling interests	22,666	21,838
(1) Equity attributable to non-controlling interests of ordinary shares	20,667	19,839
(2) Equity attributable to non-controlling interests of other equity instruments	1,999	1,999



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50 Capital reserve

	31 December 2025	31 December 2024
Share premium and others	229,113	135,736

In 2025, the Bank issued 11,589 million ordinary A shares to specific investors, with a par value of RMB1 per share. Total proceeds from this offering stood at RMB105,000 million, with net proceeds of RMB104,969 million after deducting RMB31 million issuance expenses, of which RMB11,589 million was recognised in share capital and RMB93,380 million in capital reserve.

51 Other comprehensive income

	Other comprehensive income of the statement of financial position				Other comprehensive income of the statement of comprehensive income				
					2025				
	1 January 2025	Net-of-tax amount attributable to equity shareholders of the Bank	Other comprehensive income transferred to retained earnings	31 December 2025	The amount before Income taxes	Less: Reclassification adjustments included in profit or loss due to disposals	Less: Related income tax impact	Net-of-tax amount attributable to equity shareholders of the Bank	Net-of-tax amount attributable to non-controlling interests
(1) Other comprehensive income that will not be reclassified to profit or loss									
Remeasurements of post-employment benefit obligations	(175)	279	-	104	279	-	-	279	-
Fair value changes of equity instruments designated as measured at fair value through other comprehensive income	8,719	(349)	(104)	8,266	306	-	(89)	(349)	566
Others	865	16	-	881	16	-	-	16	-
(2) Other comprehensive income that may be reclassified subsequently to profit or loss									
Fair value changes of debt instruments measured at fair value through other comprehensive income	54,107	(36,876)	-	17,231	(40,406)	(11,441)	12,591	(36,876)	(2,380)
Allowances for credit losses of debt instruments measured at fair value through other comprehensive income	4,378	1,127	-	5,505	1,509	-	(377)	1,127	5
Net gain/(loss) on cash flow hedges	806	(72)	-	734	(72)	-	-	(72)	-
Exchange difference on translating foreign operations	1,786	(3,822)	-	(2,036)	(3,932)	-	-	(3,822)	(110)
Others	(12,585)	2,466	-	(10,119)	6,447	-	(1,612)	2,466	2,369
Total	57,901	(37,231)	(104)	20,566	(35,853)	(11,441)	10,513	(37,231)	450



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51 Other comprehensive income (continued)

	Other comprehensive income of the statement of financial position				Other comprehensive income of the statement of comprehensive income				
	1 January 2024	Net-of-tax amount attributable to equity shareholders of the Bank	Other comprehensive income transferred to retained earnings	31 December 2024	2024				
					The amount before Income taxes	Less: Reclassification adjustments included in profit or loss due to disposals	Less: Related income tax impact	Net-of-tax amount attributable to equity shareholders of the Bank	Net-of-tax amount attributable to non-controlling interests
(1) Other comprehensive income that will not be reclassified to profit or loss									
Remeasurements of post-employment benefit obligations	(82)	(93)	-	(175)	(93)	-	-	(93)	-
Fair value changes of equity instruments designated as measured at fair value through other comprehensive income	217	8,509	(7)	8,719	12,355	-	(3,203)	8,509	643
Others	791	74	-	865	74	-	-	74	-
(2) Other comprehensive income that may be reclassified subsequently to profit or loss									
Fair value changes of debt instruments measured at fair value through other comprehensive income	23,597	30,510	-	54,107	49,148	(3,996)	(11,322)	30,510	3,320
Allowances for credit losses of debt instruments measured at fair value through other comprehensive income	5,617	(1,239)	-	4,378	(1,655)	-	414	(1,239)	(2)
Net gain on cash flow hedges	706	100	-	806	100	-	-	100	-
Exchange difference on translating foreign operations	482	1,304	-	1,786	1,273	-	-	1,304	(31)
Others	(7,347)	(5,238)	-	(12,585)	(18,494)	-	8,224	(5,238)	(5,032)
Total	23,981	33,927	(7)	57,901	42,708	(3,996)	(5,887)	33,927	(1,102)

52 Surplus reserve

Surplus reserves consist of statutory surplus reserve fund and discretionary surplus reserve fund.

The Bank is required to allocate 10% of its net profit, as determined under the Accounting Standards for Business Enterprises and other relevant requirements issued by the MOF on 15 February 2006. After making appropriations to the statutory surplus reserve fund, the Bank may also allocate its net profit to the discretionary surplus reserve fund upon approval by shareholders in shareholders' general meeting.



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53 General reserve

The general reserves of the Group are set up based on the requirements of:

	Note	31 December 2025	31 December 2024
MOF	(1)	572,402	521,876
Hong Kong Banking Ordinance	(2)	2,124	2,124
Other regulatory bodies in the Chinese mainland	(3)	11,783	9,858
Other overseas regulatory bodies		742	733
Total		587,051	534,591

- (1) Pursuant to relevant regulations issued by the MOF, the Bank has to appropriate a certain amount of its net profit as general reserves to cover potential losses against its assets. In accordance with the "Regulation on Management of Financial Institutions for Reserves" (Cai Jin [2012] No. 20) issued by the MOF on 30 March 2012, the general reserves balance for financial institutions should not be lower than 1.5% of the ending balance of risk assets.
- (2) Pursuant to the requirements of the Hong Kong Banking Ordinance, the Group's banking operations in Hong Kong are required to set aside amounts in a regulatory reserve in respect of losses which it will, or may, incur on loans and advances to customers, in addition to impairment losses recognised in accordance with the accounting policies of the Group. Transfers to and from the regulatory reserve are made through retained earnings.
- (3) Pursuant to the relevant regulatory requirements in the Chinese mainland, the Bank's subsidiaries are required to appropriate a certain amount of its net profit as general reserves.

54 Profit distribution

In the first extraordinary general meeting of 2025 held on 22 April 2025, the shareholders approved the profit distribution plan for 2024. The total cash dividend for the year in an aggregate amount of RMB100,754 million. After deducting the interim dividend of RMB49,252 million, the Bank proposed to all ordinary shareholders a final cash dividend for 2024 in an aggregate amount of RMB51,502 million.

In the second extraordinary shareholders' meeting of 2025 held on 27 November 2025, the shareholders approved the interim profit distribution plan for 2025. The Bank appropriated interim cash dividend for 2025 in an aggregate amount of RMB48,605 million.

In the Board of Directors' Meeting, held on 30 October 2025 the directors approved the payment of dividends to domestic preference shareholders. The dividends for domestic preference shares distributed were RMB2,142 million (including tax), calculated using the nominal dividend rate of 3.57% (including tax) as set in the terms and conditions.

On 18 July 2025, according to the initial annual interest rate of 3.29% before the first interest rate reset date determined by the terms of the 2023 Undated Additional Tier 1 Capital Bonds (Series 1), the interest on perpetual bonds issued by the Bank was RMB987 million; On 31 August 2025, according to the initial annual interest rate of 3.20% before the first interest rate reset date determined by the terms of the 2022 Undated Additional Tier 1 Capital Bonds, the interest on perpetual bonds issued by the Bank was RMB1,280 million; On 26 September 2025, according to the initial annual interest rate of 3.37% before the first interest rate reset date determined by the terms of the 2023 Undated Additional Tier 1 Capital Bonds (Series 2), the interest on perpetual bonds issued by the Bank was RMB1,011 million.

On 27 March 2026, the Board of Directors proposed the following profit distribution plan for 2025:

- (1) Appropriate statutory surplus reserve amounted to RMB324,911 million, based on 10% of the net profit of the Bank amounted to RMB32,491 million for the year ended 31 December 2025 (for the year ended 31 December 2024: RMB32,290 million). It has been recorded in "Surplus reserve" as at the end of the reporting period.
- (2) Appropriate general reserve amounted to RMB50,526 million, pursuant to relevant regulations issued by the MOF (for the year ended 31 December 2024: RMB37,833 million).
- (3) The Board proposed to all shareholders a final cash dividend of RMB2.029 per ten shares (including tax) for 2025, totalling approximately RMB53,079 million. Such proposed dividends are not recognised as a liability as at the end of the reporting period. After considering interim dividend, total cash dividend for the year amounted to RMB3.887 per ten shares (including tax) for 2025 which collectively totalled approximately RMB101,684 million (for the year ended 31 December 2024: RMB4.030 per ten shares (including tax) for 2024 which collectively totalled approximately RMB100,754 million).

The above proposed profit distribution plan will become effective after receiving approval at shareholders' general meeting. Cash dividends will be paid subsequently.



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55 Notes to the statement of cash flows**Cash and cash equivalents**

	31 December 2025	31 December 2024
Cash	48,588	46,691
Surplus deposit reserves with central banks	734,336	259,529
Demand deposits with banks and non-bank financial institutions	95,385	98,806
Time deposits with banks and non-bank financial institutions with original maturity with or within three months	30,814	33,079
Placements with banks and non-bank financial institutions with original maturity with or within three months	152,721	131,343
Total	1,061,844	569,448

56 Transfer of financial assets

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

Repurchase and Securities lending transactions

The financial assets that have not been derecognised but have been transferred consist mainly of securities that have been delivered to counterparties as collateral in repurchase transactions and securities lent out in securities lending transactions. Counterparties are allowed to sell or repledge those securities in the absence of any default in transactions with the Group, but at the same time, they have an obligation to return such securities to the Group upon maturity of the contract. The Group has determined that it retains substantially all the risks and rewards of these securities and therefore has not derecognised them. As at 31 December 2025, the carrying amounts of the Group's securities serving as collaterals under repurchase agreements and debt securities lent to counterparties was RMB1,460,885 million (as at 31 December 2024: RMB647,402 million).

Credit asset securitisation transactions

The Group enters into securitisation transactions in its normal course of business by which it transfers credit assets to structured entities which issue asset-backed securities to investors. The Group may retain interests in the form of holding subordinated tranches which would give rise to the Group's continuing involvement in the transferred assets. Those financial assets are recognised on the statement of financial position to the extent of the Group's continuing involvement, otherwise the financial assets are derecognised.

As at 31 December 2025, loans with an original carrying amount of RMB68,905 million (as at 31 December 2024: RMB68,905 million) have been securitised by the Group under arrangements in which the Group retained a continuing involvement in such assets. As at 31 December 2025 the carrying amount of assets that the Group continued to recognise was RMB379 million (as at 31 December 2024: RMB5,710 million). As at 31 December 2025, the carrying amount of continuing involvement assets and liabilities that the Group continued to recognise was RMB379 million (as at 31 December 2024: RMB5,710 million).

With respect to credit asset securitisations that did not qualify for derecognition as a whole, the Group continued to recognise credit assets that had been transferred, and recorded the consideration received as a financial liability. As at 31 December 2025, the carrying amount of transferred credit assets that the Group had continued to recognise was RMB20,936 million (as at 31 December 2024: RMB26,438 million) and the carrying amount of their associated financial liabilities was RMB13,717 million (as at 31 December 2024: RMB22,344 million).

As at 31 December 2025, the carrying amount of asset-backed securities held in the securitisation transaction derecognised by the Group was RMB1,139 million (as at 31 December 2024: RMB1,126 million), and its maximum loss exposure approximates to the carrying amount.



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57 Operating segments

The Group has presented the operating segments in a manner consistent with the way in which information is reported internally to the Group's chief operating decision makers for the purposes of resource allocation and performance assessment. Measurement of segment assets and liabilities and segment income and results is based on the Group's accounting policies.

Transactions between segments are conducted under normal commercial terms and conditions. Internal charges and transfer prices are determined with reference to market rates and have been reflected in the performance of each segment. Net interest income and expense arising from internal charges and transfer pricing adjustments are referred to as "Internal net interest income/expense". Interest income and expense earned from third parties are referred to as "External net interest income/expense".

Segment revenues, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment income and results are determined before intra-group transactions are eliminated as part of the consolidation process. Segment capital expenditure is the total cost incurred during the period to acquire fixed assets, intangible assets and other long-term assets.

(1) Geographical segments

The Group operates principally in the Chinese mainland with branches covering all provinces, autonomous regions and municipalities directly under the central government, and several subsidiaries located in the Chinese mainland. The Group also has bank branch operations in Hong Kong, Macau, Taiwan, Singapore, Frankfurt, Johannesburg, Tokyo, Seoul, New York, Sydney, Ho Chi Minh City, Luxembourg, Toronto, London, Zurich, Dubai, Chile, Astana, Labuan, Auckland, etc., and certain subsidiaries operating in Hong Kong, Moscow, Luxembourg, British Virgin Islands, Auckland, Jakarta, San Paulo and Kuala Lumpur, etc.

In presenting information on the basis of geographical segments, operating income is allocated based on the location of the branches and subsidiaries that generate the income. Segment assets, liabilities and capital expenditure are allocated based on their geographical location.

Geographical segments of the Group, for management reporting purposes, are defined as follows:

- "Yangtze River Delta" refers to the following areas where the tier-1 branches and the subsidiary of the Bank operate: Shanghai Municipality, Jiangsu Province, Zhejiang Province, City of Ningbo and City of Suzhou;
- "Pearl River Delta" refers to the following areas where the tier-1 branches and the subsidiary of the Bank operate: Guangdong Province, City of Shenzhen, Fujian Province and City of Xiamen;
- "Bohai Rim" refers to the following areas where the tier-1 branches and the subsidiaries of the Bank operate: Beijing Municipality, Shandong Province, Tianjin Municipality, Hebei Province and City of Qingdao;
- the "Central" region refers to the following areas where the tier-1 branches and the subsidiary of the Bank operate: Shanxi Province, Hubei Province, Henan Province, Hunan Province, Jiangxi Province, Hainan Province and Anhui Province;
- the "Western" region refers to the following areas where the tier-1 branches of the Bank operate: Sichuan Province, Chongqing Municipality, Guizhou Province, Yunnan Province, Tibet Autonomous Region, Inner Mongolia Autonomous Region, Shaanxi Province, Gansu Province, Qinghai Province, Ningxia Autonomous Region, Guangxi Autonomous Region and Xinjiang Autonomous Region; and
- the "Northeastern" region refers to the following areas where the tier-1 branches of the Bank operate: Liaoning Province, Jilin Province, Heilongjiang Province and City of Dalian.



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(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

57 Operating segments (continued)

(1) Geographical segments (continued)

	Year ended 31 December 2025								
	Yangtze River Delta	Pearl River Delta	Bohai Rim	Central	Western	Northeastern	Head Office	Overseas	Total
External net interest income/(expense)	70,308	45,990	28,099	52,078	71,037	(4,632)	294,632	15,262	572,774
Internal net interest income/(expense)	32,130	33,511	67,449	40,949	31,744	28,010	(231,188)	(2,605)	-
Net interest income	102,438	79,501	95,548	93,027	102,781	23,378	63,444	12,657	572,774
Net fee and commission income	20,353	19,634	17,297	15,619	12,394	3,364	18,973	2,673	110,307
Net trading (loss)/gain	(216)	(105)	(163)	48	(128)	(65)	3,147	1,415	3,933
Dividend income	1,175	-	4,045	370	88	5	229	57	5,969
Net gain/(loss) arising from investment securities	4,613	(1,287)	1,202	(1,465)	(145)	(251)	13,899	502	17,068
Net gain on derecognition of financial assets measured at amortised cost	21	326	-	2	2	-	16,929	313	17,593
Other operating (expense)/income, net	(4,184)	543	1,776	561	557	168	6,159	7,647	13,227
Operating income	124,200	98,612	119,705	108,162	115,549	26,599	122,780	25,264	740,871
Operating expenses	(42,053)	(26,596)	(35,232)	(35,082)	(37,777)	(12,513)	(30,634)	(7,338)	(227,225)
Credit impairment losses	(12,472)	(33,727)	(17,847)	(21,496)	(28,222)	959	(17,003)	(3,509)	(133,317)
Other impairment losses	-	-	(3)	(31)	(4)	-	-	(4)	(42)
Share of profits/(losses) of associates and joint ventures	237	3	(37)	167	-	-	26	(60)	336
Profit before tax	69,912	38,292	66,586	51,720	49,546	15,045	75,169	14,353	380,623
Capital expenditure	1,691	728	3,030	1,505	1,686	764	5,716	12,967	28,087
Depreciation and amortisation	3,948	3,001	6,493	3,438	3,605	1,404	4,362	3,051	29,302
	31 December 2025								
	Yangtze River Delta	Pearl River Delta	Bohai Rim	Central	Western	Northeastern	Head Office	Overseas	Total
Segment assets	7,726,049	5,474,045	8,935,172	6,238,131	6,417,098	2,190,314	16,771,847	1,878,678	55,631,334
Long-term equity investments	3,961	1,476	10,860	3,391	-	-	4,930	3,163	27,781
	7,730,010	5,475,521	8,946,032	6,241,522	6,417,098	2,190,314	16,776,777	1,881,841	55,659,115
Deferred tax assets									139,747
Elimination									(10,167,044)
Total assets									45,631,818
Segment liabilities	7,660,429	5,417,298	8,667,925	6,169,431	6,373,431	2,177,813	13,907,876	1,736,006	52,110,209
Deferred tax liabilities									2,576
Elimination									(10,167,044)
Total liabilities									41,945,741
Off-balance sheet credit commitments	808,593	687,582	741,485	805,411	623,206	208,633	-	320,951	4,195,861



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57 Operating segments (continued)

(1) Geographical segments (continued)

	Year ended 31 December 2024								
	Yangtze River Delta	Pearl River Delta	Bohai Rim	Central	Western	Northeastern	Head Office	Overseas	Total
External net interest income/(expense)	62,664	39,831	28,498	58,816	74,019	(4,362)	313,632	16,784	589,882
Internal net interest income/(expense)	38,676	41,506	63,052	42,920	33,971	30,441	(245,146)	(5,420)	-
Net interest income	101,340	81,337	91,550	101,736	107,990	26,079	68,486	11,364	589,882
Net fee and commission income	19,608	18,790	16,263	13,944	11,639	3,142	19,118	2,424	104,928
Net trading gain/(loss)	51	85	53	(106)	(40)	(20)	3,605	1,137	4,765
Dividend income	847	-	4,990	207	117	3	339	73	6,576
Net gain/(loss) arising from investment securities	4,675	(795)	(1,368)	(755)	(966)	(190)	10,885	(608)	10,878
Net (loss)/gain on derecognition of financial assets measured at amortised cost	(3)	185	33	6	(4)	(35)	3,647	162	3,991
Other operating (expense)/income, net	(3,626)	441	1,658	467	433	195	1,891	6,091	7,550
Operating income	122,892	100,043	113,179	115,499	119,169	29,174	107,971	20,643	728,570
Operating expenses	(41,797)	(26,807)	(34,509)	(34,680)	(36,583)	(12,220)	(29,859)	(7,324)	(223,779)
Credit impairment losses	(5,806)	(23,211)	(18,579)	(26,707)	(20,038)	(220)	(22,630)	(3,509)	(120,700)
Other impairment losses	-	-	(127)	(1)	(2)	-	-	(168)	(298)
Share of profits/(losses) of associates and joint ventures	11	(19)	518	(75)	-	-	69	80	584
Profit before tax	75,300	50,006	60,482	54,036	62,546	16,734	55,551	9,722	384,377
Capital expenditure	1,658	851	5,093	1,602	1,392	671	2,845	15,154	29,266
Depreciation and amortisation	4,075	3,103	7,072	3,760	3,791	1,451	4,290	2,688	30,230
31 December 2024									
Segment assets	7,125,913	5,405,807	8,064,454	5,718,074	6,039,426	2,106,273	13,479,966	1,790,163	49,730,076
Long-term equity investments	2,861	1,446	9,370	3,969	-	-	2,904	3,010	23,560
	7,128,774	5,407,253	8,073,824	5,722,043	6,039,426	2,106,273	13,482,870	1,793,173	49,753,636
Deferred tax assets									120,485
Elimination									(9,302,972)
Total assets									40,571,149
Segment liabilities	7,066,990	5,355,827	7,825,864	5,651,329	5,989,751	2,091,890	10,897,772	1,649,208	46,528,631
Deferred tax liabilities									1,525
Elimination									(9,302,972)
Total liabilities									37,227,184
Off-balance sheet credit commitments	753,146	625,877	759,712	749,260	576,558	189,178	-	310,720	3,964,451



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(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

57 Operating segments (continued)**(2) Business segments**

Business segments, as defined for management reporting purposes, are as follows:

Corporate finance business

This segment represents the provision of a range of financial products and services to corporations, government agencies and financial institutions. The products and services include corporate loans, trade financing, deposit taking and wealth management services, agency services, financial consulting and advisory services, cash management services, remittance and settlement services, guarantee services, and investment banking services, etc.

Personal finance business

This segment represents the provision of a range of financial products and services to individual customers. The products and services comprise personal loans, deposit taking and wealth management services, card business, remittance services and agency services, etc.

Treasury and asset management business

This segment covers the Group's treasury operations. The treasury and asset management segment enters into inter-bank deposit and placement transactions, repurchase and resale transactions, and invests in debt securities. It also trades in derivatives and foreign currencies for its own account. The treasury and asset management segment carries out customer-driven derivatives, foreign currency, precious metal trading and custody services. Its function also includes the management of the Group's overall liquidity position, including the issuance of debt securities.

Others

This segment covers equity investments and the revenues, results, assets and liabilities of overseas commercial banks.



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(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

57 Operating segments (continued)

(2) Business segments (continued)

	Year ended 31 December 2025				
	Corporate finance business	Personal finance business	Treasury and asset management business	Others	Total
External net interest income	280,433	61,163	216,020	15,158	572,774
Internal net interest (expense)/income	(88,821)	231,444	(143,267)	644	–
Net interest income	191,612	292,607	72,753	15,802	572,774
Net fee and commission income	31,451	48,465	29,863	528	110,307
Net trading (loss)/gain	(401)	(116)	2,960	1,490	3,933
Dividend income	4,093	1,173	382	321	5,969
Net (loss)/gain arising from investment securities	(892)	4,054	13,678	228	17,068
Net gain on derecognition of financial assets measured at amortised cost	28	6	17,247	312	17,593
Other operating income/(expense), net	1,348	(2,638)	6,659	7,858	13,227
Operating income	227,239	343,551	143,542	26,539	740,871
Operating expenses	(89,366)	(111,266)	(16,742)	(9,851)	(227,225)
Credit impairment losses	(53,514)	(77,783)	874	(2,894)	(133,317)
Other impairment losses	127	(135)	(34)	–	(42)
Share of (losses)/profits of associates and joint ventures	(27)	245	163	(45)	336
Profit before tax	84,459	154,612	127,803	13,749	380,623
Capital expenditure	6,876	7,373	952	12,886	28,087
Depreciation and amortisation	10,715	13,744	1,902	2,941	29,302
31 December 2025					
Segment assets	18,997,068	8,621,857	16,998,345	1,072,059	45,689,329
Long-term equity investments	11,159	3,851	5,337	7,434	27,781
	19,008,227	8,625,708	17,003,682	1,079,493	45,717,110
Deferred tax assets					139,747
Elimination					(225,039)
Total assets					45,631,818
Segment liabilities	12,256,719	19,198,447	8,718,446	1,994,592	42,168,204
Deferred tax liabilities					2,576
Elimination					(225,039)
Total liabilities					41,945,741
Off-balance sheet credit commitments	2,735,866	1,139,044	–	320,951	4,195,861



NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

57 Operating segments (continued)

(2) Business segments (continued)

	Year ended 31 December 2024				
	Corporate finance business	Personal finance business	Treasury and asset management business	Others	Total
External net interest income	279,584	97,616	198,542	14,140	589,882
Internal net interest (expense)/income	(87,035)	208,591	(121,761)	205	–
Net interest income	192,549	306,207	76,781	14,345	589,882
Net fee and commission income	32,161	49,715	22,788	264	104,928
Net trading gain	393	–	2,713	1,659	4,765
Dividend income	4,987	824	451	314	6,576
Net (loss)/gain arising from investment securities	(4,479)	5,098	10,713	(454)	10,878
Net gain on derecognition of financial assets measured at amortised cost	467	1,223	2,208	93	3,991
Other operating income/(expense), net	1,423	(3,654)	3,316	6,465	7,550
Operating income	227,501	359,413	118,970	22,686	728,570
Operating expenses	(89,651)	(111,209)	(13,647)	(9,272)	(223,779)
Credit impairment losses	(37,224)	(74,744)	(3,216)	(5,516)	(120,700)
Other impairment losses	(128)	–	(4)	(166)	(298)
Share of profits/(losses) of associates and joint ventures	646	29	(94)	3	584
Profit before tax	101,144	173,489	102,009	7,735	384,377
Capital expenditure	5,696	5,798	542	17,230	29,266
Depreciation and amortisation	11,306	14,504	1,678	2,742	30,230
31 December 2024					
Segment assets	17,075,455	8,681,552	13,827,989	1,045,883	40,630,879
Long-term equity investments	10,443	2,739	5,552	4,826	23,560
	17,085,898	8,684,291	13,833,541	1,050,709	40,654,439
Deferred tax assets					120,485
Elimination					(203,775)
Total assets					40,571,149
Segment liabilities	12,052,396	17,405,915	6,031,782	1,939,341	37,429,434
Deferred tax liabilities					1,525
Elimination					(203,775)
Total liabilities					37,227,184
Off-balance sheet credit commitments	2,494,669	1,159,062	–	310,720	3,964,451



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(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

58 Entrusted lending business

As at the end of the reporting period, the entrusted loans and entrusted funds were as follows:

	31 December 2025	31 December 2024
Entrusted loans	4,802,787	4,635,191
Entrusted funds	4,802,787	4,635,191

59 Pledged assets

(1) Assets pledged as securities

The Group's collateral for liabilities or contingent liabilities include financial assets such as securities and bills, which mainly serve as collateral for repurchase agreements, derivative contracts and local statutory requirements. As at 31 December 2025, the carrying values of the Group's financial assets pledged as collateral amounted to approximately RMB3,305,874 million (as at 31 December 2024: RMB2,245,262 million).

(2) Collateral accepted as securities for assets

As part of the resale agreements, the Group has received securities that were allowed to be sold or repledged in the absence of default by their owners. As at 31 December 2025, the Group has received securities with a fair value of RMB26,385 million on such terms (as at 31 December 2024: Nil).

60 Commitments and contingent liabilities

(1) Credit commitments

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.

As credit commitments may expire without being drawn upon, the contractual amounts set out in the following table do not represent the expected future cash outflows.

	31 December 2025	31 December 2024
Loan commitments		
– with an original maturity within one year	143,553	76,319
– with an original maturity of one year or over	428,870	431,376
Credit card commitments	1,168,634	1,193,146
	1,741,057	1,700,841
Bank acceptances	718,844	617,285
Financing guarantees	35,174	30,457
Non-financing guarantees	1,326,074	1,329,065
Sight letters of credit	41,436	39,725
Usance letters of credit	301,471	217,469
Others	31,805	29,609
Total	4,195,861	3,964,451



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(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

60 Commitments and contingent liabilities (continued)**(2) Credit risk-weighted asset amount**

The credit risk-weighted asset amount refers to the amount as computed in accordance with the rules set out by the NFRA and depends on the status of the counterparty and the maturity characteristics.

	31 December 2025	31 December 2024
Credit risk-weighted asset amount of contingent liabilities and commitments	1,349,220	1,225,217

(3) Capital commitments

As at 31 December 2025, the Group's contracted for but not disbursed capital commitments amounted to RMB4,725 million (as at 31 December 2024: RMB3,245 million).

(4) Underwriting obligations

As at 31 December 2025, there was no unexpired underwriting commitment of the Group (as at 31 December 2024: Nil).

(5) Government bond redemption obligations

As an underwriting agent of PRC government bonds, the Group has the responsibility to buy back those bonds sold by it should the holders decide to early redeem the bonds held. The redemption price for the bonds at any time before their maturity date is based on the coupon value plus any interest unpaid and accrued up to the redemption date. Accrued interest payables to the bond holders are calculated in accordance with relevant rules of the MOF and the PBOC. The redemption price may be different from the fair value of similar instruments traded at the redemption date.

The redemption obligations, which represent the nominal value of government bonds underwritten and sold by the Group, but not yet matured as at 31 December 2025, were RMB50,267 million (as at 31 December 2024: RMB45,472 million).

(6) Outstanding litigations and disputes

As at 31 December 2025, the Group was the defendant in certain pending litigations and disputes with gross claims of RMB15,560 million (as at 31 December 2024: RMB12,790 million). Provisions have been made for the estimated losses arising from such litigations based upon the opinions of the Group's internal and external legal counsels (Note 45).

(7) Contingent liabilities

The Group assessed and made provisions for any probable outflow of economic benefits in relation to the commitments and contingent liabilities in accordance with their accounting policies.

(8) Impact of the Guiding Opinions on Regulating the Asset Management Business of Financial Institutions

The Group had completed the rectification of its legacy wealth management business by the end of 2025, in accordance with regulatory requirements such as the *Guiding Opinions on Regulating the Asset Management Business of Financial Institutions*.



NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

61 Related party relationships and transactions

(1) Transactions with parent companies and their affiliates

The immediate and ultimate parents of the Group are Huijin and CIC, respectively.

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

Huijin was incorporated on 16 December 2003 as a wholly-state-owned investment company. It was registered in Beijing with registered capital of RMB828,209 million. As a wholly-owned subsidiary of CIC, Huijin makes equity investment in key state-owned financial institutions as authorised by the State Council, and exercises the contributor's rights and obligations in key state-owned financial institutions up to its contribution amount on behalf of the State to achieve preservation and appreciation of state-owned financial assets. Huijin does not engage in any other commercial business activities, nor does it interfere with daily operations of the key state-owned financial institutions of which it is the controlling shareholder. As at 31 December 2025, Huijin directly held 54.61% of shares of the Bank.

Affiliates of parent companies include the subsidiaries under parent companies and other associates and joint ventures.

The Group's transactions with parent companies and their affiliates mainly include deposit taking, entrusted asset management, operating leases, lending, purchase and sale of debt securities, money market transactions and inter-bank clearing. These transactions are priced based on market prices and conducted under normal commercial terms.

The Group has issued subordinated debts with a nominal value of RMB12,000 million (as at 31 December 2024: RMB12,000 million). These are bearer bonds and tradable in the secondary market. The Group had no information in respect of the amount of the bonds held by the affiliates of parent companies as at the end of the reporting period.

(a) Transactions with parent companies

In the ordinary course of the business, material transactions that the Group entered into with parent companies are as follows:

Amounts

	2025		2024	
	Amount	Ratio to similar transactions	Amount	Ratio to similar transactions
Interest income	1,803	0.16%	3,284	0.26%
Interest expense	662	0.11%	160	0.02%
Net trading gain	12	0.31%	17	0.36%

Balances outstanding as at the end of the reporting period

	31 December 2025		31 December 2024	
	Balance	Ratio to similar transactions	Balance	Ratio to similar transactions
Loans and advances to customers	36,400	0.14%	66,600	0.27%
Financial investments				
Financial assets measured at fair value through profit or loss	1,174	0.13%	770	0.13%
Financial assets measured at amortised cost	31,909	0.41%	40,473	0.54%
Financial assets measured at fair value through other comprehensive income	16,384	0.38%	7,498	0.28%
Deposits from customers	197,230	0.64%	36,292	0.13%
Credit commitments	288	0.01%	288	0.01%



NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

61 Related party relationships and transactions (continued)**(1) Transactions with parent companies and their affiliates** (continued)**(b) Transactions with the affiliates of parent companies**

In the ordinary course of the business, material transactions that the Group entered into with the affiliates of parent companies are as follows:

Amounts

	Note	2025		2024	
		Amount	Ratio to similar transactions	Amount	Ratio to similar transactions
Interest income		13,910	1.21%	21,674	1.75%
Interest expense		8,575	1.48%	9,293	1.43%
Fee and commission income		353	0.29%	470	0.40%
Fee and commission expense		3	0.02%	16	0.12%
Net trading gain		789	20.06%	701	14.71%
Other operating income		424	1.23%	736	2.76%
Net gain arising from investment securities		1,112	6.52%	3,733	34.32%
Operating expenses	(i)	763	0.34%	652	0.29%

Balances outstanding as at the end of the reporting period

	Note	31 December 2025		31 December 2024	
		Balance	Ratio to similar transactions	Balance	Ratio to similar transactions
Deposits with banks and non-bank financial institutions		30,349	15.92%	37,494	24.26%
Placements with banks and non-bank financial institutions		186,467	22.74%	130,800	19.44%
Positive fair value of derivatives		4,569	9.27%	15,959	14.77%
Financial assets held under resale agreements		39,451	4.60%	31,295	5.03%
Loans and advances to customers		98,085	0.36%	157,404	0.63%
Financial investments					
Financial assets measured at fair value through profit or loss		223,920	25.59%	152,874	24.96%
Financial assets measured at amortised cost		183,853	2.38%	201,682	2.71%
Financial assets measured at fair value through other comprehensive income		468,184	10.93%	398,031	15.07%
Other assets		3,382	1.17%	562	0.23%
Deposits from banks and non-bank financial institutions	(ii)	494,588	11.54%	192,798	6.80%
Placements from banks and non-bank financial institutions		203,567	40.72%	186,085	38.78%
Negative fair value of derivatives		6,384	7.11%	11,188	11.90%
Financial assets sold under repurchase agreements		8,781	0.59%	34,944	4.72%
Deposits from customers		151,205	0.49%	133,328	0.46%
Other liabilities		75,503	12.61%	39,973	6.12%
Credit commitments		16,414	0.39%	11,585	0.29%

(i) Operating expenses mainly represent fees for related services provided by the affiliates of parent companies.

(ii) Deposits from the affiliates of parent companies are unsecured and are repayable under normal commercial terms.



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(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

61 Related party relationships and transactions (continued)**(2) Transactions with the MOF**

In 2025, the Bank issued ordinary A shares to the MOF and completed the share registration on 24 June 2025. The MOF is a national administrative authority responsible for fiscal revenue and expenditure, tax policies, and related matters. As at 31 December 2025, the MOF directly held 4.43% of the Bank's shares.

The Group's transactions with the MOF primarily involve holding government bonds issued by the MOF. These transactions are priced based on market prices and conducted under normal commercial terms.

In the ordinary course of business, the material transactions that the Group entered into with the MOF are as follows:

Amounts

	From 24 June to 31 December 2025	
	Amount	Ratio to similar transactions
Interest income	34,485	2.99%
Net trading gain	168	4.27%

Balances outstanding as at the end of the reporting period

	31 December 2025	
	Balance	Ratio to similar transactions
Financial investments		
Financial assets measured at fair value through profit or loss	17,050	1.95%
Financial assets measured at amortised cost	1,512,632	19.54%
Financial assets measured at fair value through other comprehensive income	1,637,989	38.25%
Deposits from customers	112	0.00%
Other liabilities	2,153	0.36%

(3) Transactions between the Group and its associates and joint ventures of the Group

Transactions between the Group and its associates and joint ventures are conducted in the normal and ordinary course of the business and under normal commercial terms as those transactions conducted between the Group and non-related companies outside the Group.

In the ordinary course of the business, material transactions that the Group entered into with associates and joint ventures are as follows:

Amounts

	2025	2024
Interest income	1,257	1,232
Interest expense	68	132
Fee and commission income	103	95
Fee and commission expense	2	–
Operating expenses	236	140

Balances outstanding as at the end of the reporting period

	31 December 2025	31 December 2024
Loans and advances to customers	54,462	45,680
Financial assets measured at fair value through profit or loss	–	1,241
Financial assets measured at amortised cost	902	–
Other assets	485	352
Deposits from banks and non-bank financial institutions	827	–
Deposits from customers	28,143	16,470
Other liabilities	1,972	1,307
Credit commitments	39,087	46,858



NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

61 Related party relationships and transactions (continued)**(4) Transactions between the Bank and its subsidiaries**

Transactions between the Bank and its subsidiaries are conducted in the normal and ordinary course of the business and under normal commercial terms as those transactions are conducted between the Bank and non-related companies outside the Group. All the inter-group transactions and inter-group balances are eliminated when preparing the consolidated financial statements as mentioned in Note 4(1)(b).

In the ordinary course of the business, material transactions that the Bank entered into with its subsidiaries are as follows:

Amounts

	2025	2024
Interest income	2,704	2,646
Interest expense	1,922	2,064
Fee and commission income	1,853	2,520
Fee and commission expense	740	679
Dividend income	1,450	545
Net loss arising from investment securities	–	37
Operating expenses	9,084	8,966
Other operating income/(expense), net	122	(100)

Balances outstanding as at the end of the reporting period

	31 December 2025	31 December 2024
Deposits with banks and non-bank financial institutions	3,759	2,944
Placements with banks and non-bank financial institutions	135,556	104,923
Positive fair value of derivatives	1,218	4,471
Financial assets held under resale agreements	400	2,375
Loans and advances to customers	24,950	20,397
Financial investments		
Financial assets measured at amortised cost	806	907
Financial assets measured at fair value through other comprehensive income	30,965	29,538
Other assets	39,940	39,758
Deposits from banks and non-bank financial institutions	16,951	15,807
Placements from banks and non-bank financial institutions	54,951	33,966
Negative fair value of derivatives	868	4,733
Deposits from customers	9,777	7,670
Debt securities issued	200	–
Other liabilities	4,103	6,731

As at 31 December 2025, the total maximum guarantee limit of guarantee letters issued by the Bank with its subsidiaries as beneficiary was RMB838 million (as at 31 December 2024: RMB932 million).

As at 31 December 2025, the transactions among subsidiaries of the Group were mainly loans and advances to customers and other investment on bonds, and the balances of the above transactions were RMB2,044 million and RMB799 million, respectively, (as at 31 December 2024, the transactions among subsidiaries of the Group were mainly deposits with banks and non-bank financial institutions and deposits from banks and non-bank financial institutions, and the balances of the above transactions were RMB2,137 million and RMB1,444 million, respectively).



NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

61 Related party relationships and transactions (continued)**(5) Transactions with other PRC state-owned entities**

State-owned entities refer to those entities directly or indirectly owned by the PRC government through its government authorities, agencies, affiliates and other organisations. Transactions with other state-owned entities include but are not limited to: lending and deposit taking; taking and placing of inter-bank balances; entrusted lending and other custody services; insurance and securities agency, and other intermediary services; purchase, sale, underwriting and redemption of bonds issued by other state-owned entities; purchase, sale and leases of property and other assets; and rendering and receiving of utilities and other services.

These transactions are conducted in the ordinary course of the Group's banking business on terms similar to those that would have been entered into with non-state-owned entities. The Group's pricing strategy and approval processes for major products and services, such as loans, deposits and commission income, do not depend on whether the customers are state-owned entities or not. Having due regard to the substance of the relationships, the Group is of the opinion that none of these transactions were material related party transactions that require separate disclosure.

(6) Transactions with the Annuity Scheme and Plan Assets

Apart from the obligations for defined contributions to the Annuity Scheme and regular banking transactions, there were no other transactions between the Group and the Annuity Scheme in the year ended 31 December 2025 and 2024.

As at 31 December 2025, the fair value of the Group's supplementary retirement benefit plan assets managed by CCB Principal Asset Management and CCB Pension was RMB3,047 million (as at 31 December 2024: RMB3,143 million), and management fees payable to CCB Principal Asset Management and CCB Pension were RMB5.00 million (as at 31 December 2024: RMB4.29 million).

(7) Key management personnel

Key management personnel are those persons having authorities and responsibilities for planning, directing and controlling the activities of the Group, directly or indirectly, including directors and senior executives. The Group enters into banking transactions with key management personnel in the normal course of business. For the years ended 31 December 2025 and 2024 there were no material transactions and balances with key management personnel.

The compensation before tax of directors and supervisors is disclosed in Note 16. The senior executives' annual compensation before individual income tax during the year is as follows:

	2025			
	Remuneration paid RMB'000	Contributions to defined contribution retirement schemes RMB'000	Other benefits in kind (Note (i)) RMB'000	Total (Note (ii)) RMB'000
Executive Vice Presidents				
Li Jianjiang (Note (iii))	618	68	172	858
Han Jing	464	51	124	639
Lei Ming	309	36	75	420
Tang Shuo	51	6	13	70
Chief Financial Officer				
Sheng Liurong	721	68	214	1,003
Former Executive Vice President				
Li Yun	154	17	48	219
Former Chief Information Officer				
Jin Panshi	240	17	82	339
	2,557	263	728	3,548



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(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

61 Related party relationships and transactions (continued)**(7) Key management personnel (continued)**

	2024			
	Annual remuneration payable (Allowances) RMB'000	Employer's contribution to social insurances, enterprise annuity, supplemental medical insurance and housing provident fund RMB'000	Other Monetary income RMB'000	Total RMB'000
Executive Vice Presidents				
Li Yun	840	236	–	1,076
Li Jianjiang (Note (iii))	630	183	–	813
Chief Information Officer				
Jin Panshi	1,156	323	–	1,479
Chief Financial Officer				
Sheng Liurong	1,161	323	–	1,484
Former Executive Vice President				
Wang Bing	770	214	–	984
Li Min	630	171	–	801
Former Secretary to the Board				
Hu Changmiao	576	133	–	709
	5,763	1,583	–	7,346

- (i) Other benefits in kind included the Bank's contributions to medical insurance, housing funds and other social insurances, which are payable to labour and security authorities based on the lower of certain percentage of the salaries and allowance or the prescribed upper limits as required by the relevant regulations issued by the government authorities. Other benefits also included the Bank's contribution to its own corporate annuity plan (which was set up in accordance with the relevant policies issued by the government authorities) and supplementary medical insurance.
- (ii) The total compensation package for these key management personnel for the year ended 31 December 2025 has not yet been finalised in accordance with regulations of the PRC relevant authorities. The amount of the compensation to be adjusted for is not expected to have significant impact on the Group's financial statements for the year ended 31 December 2025. The final compensation will be disclosed in a separate announcement when determined.
- (iii) Mr. Li Jianjiang has been serving as executive vice president and chief risk officer of the Bank since May 2024.
- (iv) The total compensation package for certain key management personnel for the year ended 31 December 2024 had not been finalised in accordance with regulations of the PRC relevant authorities as at the date that the 2024 financial statements were announced. The aforesaid total compensation package for the key management personnel for the year ended 31 December 2024 has been reviewed and approved by the Board meeting of the Bank and the shareholders' general meeting of the Bank.
- (v) From 2015 onwards, remuneration of the Bank's leaders administered by central authorities has been paid in accordance with relevant policies relating to the central remuneration reform.

(8) Loans, quasi-loans and other credit transactions to directors and senior executives

The Group had no material balance of loans, quasi-loans and other credit transactions to directors and senior executives as at the end of reporting period. Those loans, quasi-loans and other credit transactions to directors and senior executives were conducted in the normal and ordinary course of the business and under normal commercial terms or on the same terms and conditions with those which are available to other employees, based on terms and conditions granted to third parties adjusted for risk reduction.



NOTES TO THE FINANCIAL STATEMENTS

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62 Risk management

The Group has exposure to the following risks:

- credit risk
- market risk
- liquidity risk
- operational risk
- insurance risk

This note presents information about the Group's exposures to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's capital management.

Risk management framework

The Board fulfils its risk management responsibilities pursuant to the Articles of Association of the Bank and regulatory requirements. The Board and its Risk Management Committee are responsible for developing risk management strategies and supervising the implementation of such strategies, evaluating the Group's overall risk profile, conducting regular reviews of the Group's statements of risk appetite and communicating the Group's risk appetite through relevant policies. Senior management and its Risk and Internal Control Management Committee are responsible for executing risk management strategies developed by the Board and organising the implementation of comprehensive risk management across the Group.

Risk Management Department is the lead department responsible for the Group's comprehensive risk management and leads market risk management. Credit Management Department is responsible for the Group's overall credit risk management and leads country risk management. Asset & Liability Management Department is the lead department responsible for the management of liquidity risk and interest rate risk in the banking book. Internal Control & Compliance Department is the lead department responsible for operational risk management. FinTech Department and Internal Control & Compliance Department take joint responsibility in leading IT risk management. Public Relations & Corporate Culture Department is the lead department responsible for reputational risk management. The Strategy and Policy Coordination Department is the lead department responsible for strategic risk management. Other risks are managed under the Group's comprehensive risk management framework in accordance with relevant policies and division of responsibilities.

The Bank continued to improve its group-wide integrated risk management system and effectively strengthened look-through risk management of its subsidiaries. Adhering to a prudent operation principle, it strengthened risk appetite management of subsidiaries, improved the pertinence and effectiveness of the risk management policy of "One Policy for One Subsidiary", and clearly defined differentiated risk control priorities for different types of subsidiaries. The Bank further reinforced constraints based on policies by effectively addressing the weaknesses in subsidiaries' policies and regulations, and enhanced the refined management of subsidiaries in terms of authorisation, limits, and approval. Additionally, it conducted risk scanning and detection of subsidiaries to clarify the risk profile, and bolstered risk management of key subsidiaries and key businesses, thereby laying a solid foundation for the high-quality development of its subsidiaries.

(1) Credit risk

Credit risk management

Credit risk represents the risk of financial loss that arises from the failure of a debtor or counterparty to discharge its contractual obligations or commitments to the Group.

Credit risk management includes key procedures such as, credit risk appetite, credit management, post investment and credit management, credit risk reporting, and expected credit loss approach implementation.

The Credit Management Department is the leading department responsible for overall management of the Group's credit risk. The Risk Management Department takes the lead in the development and implementation of the credit risk measurement tools including customers rating and facilities grading. The Special Assets Resolution Department is responsible for the special assets resolutions. The Credit Approval Department is responsible for specific credit management work such as comprehensive credit limits and credit approval of various credit businesses for the Group's customers. With the Credit Management Department taking the lead, the Credit Approval Department and the Risk Management Department participate in, share the workload and coordinate with other departments such as the Corporate Banking Department, the Inclusive Finance Department, the Institutional Banking Department, the International Business Department, the Strategic Clients Department, the Housing Finance & Personal Lending Department, the Credit Card Centre, and the Legal Affairs Department to implement credit risk management policies and procedures.

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

62 Risk management (continued)**(1) Credit risk (continued)***Credit risk management (continued)*

With respect to credit risk management of corporate and institutional business, the Group has accelerated the adjustment of its businesses structure, enhanced post-lending (investment) monitoring, and refined the industry-specific guideline and policy baseline for credit approval. Management also fine-tuned eligibility and exit policies, and optimised economic capital management and industry risk limit management. All these policies have been implemented to maintain the stability of asset quality. The Group's credit risk management covers processes such as pre-lending (investment) due diligence, credit (investment) inspection, and post-lending (investment) monitoring for credit granting business. The Group performs pre-lending (investment) investigations by assessing the borrower's credit ratings based on internal rating criteria and completing the borrower's assessment report and by performing a comprehensive evaluation of the risks and rewards of the project and completing an evaluation report. Approvals must be authorised by approvers with the appropriate authorisation. The Group conducts ongoing post-lending (investment) monitoring activities, particularly focusing on the monitoring of credit risks arising from key industries and key clients, and takes timely measures to prevent and control these risks.

With respect to the personal credit business, the Group relies on credit assessment of applicants as the basis for loan approval. Customer relationship managers are required to assess the income, credit history, and repayment ability of the applicant. The customer relationship managers then forward the application and recommendations to the loan-approval departments for consent. The Group pays great attention to post-lending monitoring of personal loans, focuses on borrowers' repayment ability, the status of collateral and pledges and any changes to the value of collateral and pledges. Once a loan becomes overdue, the Group starts the recovery process according to standard recovery procedures.

To mitigate risks, the Group requests the customers to provide collateral and pledges or guarantees where appropriate. A refined management system and operating procedure for collateral and pledges have been developed, and there is a guideline to specify the suitability of accepting specific types of collateral and pledges. The values, structures and legal covenants of collateral and pledges are monitored continuously to ensure that they still serve their intended purposes and conform to market practices.

For risk management purposes, the Group conducts independent management over credit risk arising from derivatives exposures, with information disclosed in Notes (1)(k). The Group sets credit limits for treasury activities and monitors them regularly with reference to the fair values of the relevant financial instruments.

Measurement of expected credit losses (ECL)

The Group continues to improve its unified expected credit loss approach implementation system which has covered all credit risk exposures on and off-balance sheet, and clarified the division of responsibilities between the Board of Directors and its specialised committees, senior management, the leading department of the Head Office and other relevant departments. The Group has set up a comprehensive implementation management system, strengthened control over the entire implementation process, consolidated the foundation, and adhered to the high-quality implementation of the expected credit loss approach. In the implementation process of the expected credit loss approach, the Group has fully considered uncertainties facing credit risk management. Based on the results of expected credit loss assessment, the Group recognises allowances for impairment losses timely and adequately to ensure that the accrued allowances for impairment losses have effectively covered expected credit losses.

(A) Segmentation of financial instruments

The Group adopts a "three-stage" model for impairment based on changes in credit risk since initial recognition or by determining whether the financial instruments are credit-impaired, to estimate the expected credit losses.

The key definition of the three stages are defined in Note 4(3)(f).



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(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

62 Risk management (continued)

(1) Credit risk (continued)

Measurement of expected credit losses (ECL) (continued)

(B) Significant increase in credit risk ("SICR")

The Group assesses at least quarterly whether the credit risk of a financial instrument has increased significantly since initial recognition. In accordance with the principle of substantive risk judgment, the Group compares the risk of default of financial instruments as at the end of reporting period with that as at the date of initial recognition for an individual financial instrument or a group of financial instruments with common credit risk characteristics to determine whether the credit risk has increased significantly since initial recognition. The Group sufficiently considers all reasonable and supportable information when making related assessments, including but not limited to: internal credit rating of the borrower; information such as business risk classification, overdue status, and contract terms; information on changes in the credit strategy or credit risk management methods towards the borrower; information such as the borrower's credit information, external ratings, changes in debt and equity prices, credit default swap prices, credit spreads, and public opinion; business and financial information of the borrower, its shareholders, and affiliated enterprises; and the macro economy, industry development, technological innovation, climate change, natural disasters, socio-economic and financial policies, government support or relief measures that may have a potential impact on the borrower's repayment capacity.

The Group has set qualitative and quantitative criteria for assessing whether the credit risk of financial instruments has increased significantly since initial recognition. For example, generally, the credit risk of loans whose internal credit ratings have fallen to level 15 and below, is regarded as having increased significantly.

Usually, if a financial instrument has been overdue for more than 30 days, then this indicates that the credit risk of this financial instrument has increased significantly.

(C) Definition of defaulted and credit-impaired assets

The Group considers a financial instrument as having defaulted when it is credit-impaired. Generally, financial instrument overdue for more than 90 days on contractual payment terms shall be considered as having credit-impaired.

The following factors can be referred to when determining whether credit impairment has occurred:

- Significant financial difficulty of the issuer or borrower;
- Breach of contract term, such as a default or delinquency in interest or principal payments;
- Concessions that would not otherwise be granted to the borrower, in light of economic or contractual considerations related to the borrower's financial difficulties;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- Disappearance of an active market for financial assets because of financial difficulties of the issuer or borrower;
- A financial asset purchased or originated by a large discount which reflects the fact of credit-impairment having occurred; and
- Other objective evidence indicating there is a credit impairment of the financial asset.

The Group's definition of default has been consistently applied to the estimates of PD, LGD and EAD during the ECL measurement.



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(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

62 Risk management (continued)**(1) Credit risk** (continued)*Measurement of expected credit losses (ECL) (continued)**(D) Explanation of parameters, assumptions and estimation techniques*

The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether a financial instrument is considered to be credit-impaired. Expected credit losses are the discounted product of the weighted average of PD, LGD, and EAD under the optimistic, baseline and pessimistic scenarios.

Defined as follows:

PD refers to the likelihood of a debtor and its businesses defaulting in the future, after consideration of forward-looking information. Please refer to earlier disclosure in this note for the definition of default.

LGD refers to the Group's expected loss amount resulting from default as a proportion of total exposure, after consideration of forward-looking information.

EAD is the total amount of risk exposure on and off-balance sheet at the time of default. The exposure is determined by the repayment plan according to different types of products.

The discount rate used in the ECL measurement is the effective interest rate.

During the reporting period, based on changes in macroeconomic environment, the Group has updated forward-looking information used in the measurement of expected credit losses. Please refer to further disclosure in this note for forward-looking information which is incorporated in the measurement of expected credit losses.

The assumptions underlying the ECL measurement, such as the PDs for different maturities are monitored and reviewed on a quarterly basis.

During the reporting period, the Group continued to improve its unified ECL approach implementation management system and monitor models and parameters related to expected credit losses and carried out model optimisation by reference to monitoring results.

There have been no significant changes in estimation techniques and such assumptions made during the reporting period.

(E) Forward-looking information incorporated in the ECL

The Group has performed historical data analysis and identified the macroeconomic variables affecting expected credit losses, such as GDP, CPI, M2, PPI, RMB deposit reserve rate, London spot gold price, average exchange rate of US Dollar to RMB, sales price indices of second-hand residential buildings in 70 large and medium-sized cities, national real estate climate index, and so on.

The Group set forecast GDP value for baseline scenario by reference to average value of forecasts released by authoritative international and domestic institutions, and the forecast 2026 GDP growth value under the baseline scenario was set at round 5%. Forecast 2026 GDP growth value under the optimistic and pessimistic scenarios had been determined by moving up and down, by a certain degree, from the baseline scenario forecast. For other macroeconomic variables, the Group involved internal experts and used methods such as transmission models, economic principles, and expert judgment to calculate the predicted value of each variable under each scenario.

The Group constructs empirical models to derive the relationship between historical macroeconomic variables and PD and LGD, and calculates the PD and LGD values for a given future horizon using the forecasted macroeconomic variables.

The Group constructs empirical models to determine the weightings for optimistic, baseline and pessimistic scenarios. As at 31 December 2025 and 2024, the optimistic, baseline and pessimistic scenarios were of comparable weightings.

(F) Risk grouping

For the purpose of ECL measurement, the Group has divided businesses with common credit risk characteristics into separate groups. When grouping corporate business, the Group considered credit risk characteristics such as client type and the industry in which the client operates. When grouping personal business, the Group considered credit risk characteristics such as internal risk pool and product type. The Group obtained sufficient information to ensure risk grouping is statistically reliable.



NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

62 Risk management (continued)**(1) Credit risk** (continued)**(a) Maximum credit risk exposure**

The following table presents the maximum exposure to credit risk as at the end of the reporting period without taking into consideration any collaterals and pledges held or other credit enhancements. In respect of the financial assets recognised in the statement of financial position, the maximum exposure to credit risk is represented by the carrying amount after deducting any impairment allowance.

	31 December 2025	31 December 2024
Deposits with central banks	3,005,611	2,524,670
Deposits with banks and non-bank financial institutions	190,622	154,532
Placements with banks and non-bank financial institutions	819,823	672,875
Positive fair value of derivatives	49,300	108,053
Financial assets held under resale agreements	856,818	622,559
Loans and advances to customers	26,926,790	25,040,400
Financial investments		
Financial assets measured at fair value through profit or loss	542,326	354,639
Financial assets measured at amortised cost	7,739,652	7,429,723
Financial assets measured at fair value through other comprehensive income	4,232,803	2,609,514
Other financial assets	267,490	194,148
Total	44,631,235	39,711,113
Off-balance sheet credit commitments	4,195,861	3,964,451
Maximum credit risk exposure	48,827,096	43,675,564

(b) Loans and advances to customers analysed by credit quality

Within overdue but not credit-impaired loans and advances and credit-impaired loans and advances, the portions covered and not covered by collateral held are as follows:

	31 December 2025		
	Overdue but not credit-impaired loans and advances		Credit-impaired loans and advances
	Corporate	Personal	Corporate
Portion covered	10,364	31,818	94,857
Portion not covered	6,602	20,326	160,317
Total	16,966	52,144	255,174
	31 December 2024		
	Overdue but not credit-impaired loans and advances		Credit-impaired loans and advances
	Corporate	Personal	Corporate
Portion covered	7,001	29,891	101,450
Portion not covered	4,791	18,081	155,266
Total	11,792	47,972	256,716

The above collateral and pledges include land use rights, buildings and equipment. The fair value of collateral and pledges was estimated by the Group with reference to the latest available external valuations adjusted after taking into account the current realisation experience as well as the market situation.



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(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

62 Risk management (continued)**(1) Credit risk (continued)****(c) Loans and advances to customers analysed by economic sector concentrations**

	31 December 2025			31 December 2024		
	Gross loan balance	Percentage	Balance secured by collateral	Gross loan balance	Percentage	Balance secured by collateral
Corporate loans and advances						
– Leasing and commercial services	2,906,669	10.47%	678,710	2,682,018	10.38%	676,716
– Transportation, storage and postal services	2,678,905	9.65%	726,510	2,479,499	9.59%	658,592
– Manufacturing	2,506,771	9.03%	415,316	2,264,558	8.76%	421,563
– Production and supply of electric power, heat, gas and water	1,852,383	6.67%	254,435	1,674,706	6.48%	235,043
– Wholesale and retail trade	1,540,743	5.55%	693,009	1,441,415	5.58%	705,860
– Real estate	992,689	3.57%	500,249	1,014,851	3.93%	526,419
– Water, environment and public utility management	819,616	2.95%	253,445	765,953	2.96%	248,959
– Construction	814,178	2.93%	169,052	711,472	2.75%	164,363
– Financial	713,758	2.57%	19,214	702,841	2.72%	20,552
– Mining	411,432	1.48%	23,662	371,304	1.44%	25,640
– Data Transfer, Software and Data Technology Services	306,652	1.10%	94,662	242,128	0.94%	87,318
– Scientific Research and Technological services	217,811	0.78%	88,494	179,270	0.69%	78,752
– Others	708,354	2.55%	184,587	654,640	2.54%	190,034
Total corporate loans and advances	16,469,961	59.30%	4,101,345	15,184,655	58.76%	4,039,811
Personal loans and advances	9,159,182	32.98%	6,743,185	8,977,310	34.74%	6,796,657
Discounted bills	2,092,713	7.54%	–	1,631,752	6.31%	–
Accrued interest	50,971	0.18%	–	49,577	0.19%	–
Total loans and advances to customers	27,772,827	100.00%	10,844,530	25,843,294	100.00%	10,836,468



NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

62 Risk management (continued)(1) **Credit risk** (continued)(d) *Loans and advances to customers analysed by geographical sector concentrations*

	31 December 2025			31 December 2024		
	Gross loan balance	Percentage	Balance secured by collateral	Gross loan balance	Percentage	Balance secured by collateral
Yangtze River Delta	5,772,902	20.79%	2,446,903	5,240,886	20.29%	2,432,828
Western	5,273,064	18.99%	2,177,373	4,855,020	18.79%	2,155,775
Central	4,727,097	17.02%	1,908,120	4,290,781	16.60%	1,928,945
Bohai Rim	4,696,417	16.91%	1,587,031	4,338,437	16.79%	1,561,658
Pearl River Delta	4,303,152	15.49%	2,244,347	4,169,575	16.13%	2,271,355
Northeastern	1,105,191	3.98%	339,739	1,039,321	4.02%	347,121
Head office	1,101,691	3.97%	–	1,142,742	4.42%	–
Overseas	742,342	2.67%	141,017	716,955	2.77%	138,786
Accrued interest	50,971	0.18%	–	49,577	0.19%	–
Gross loans and advances to customers	27,772,827	100.00%	10,844,530	25,843,294	100.00%	10,836,468

Details of Stage 3 loans and allowances for impairment losses in respect of geographical sectors as at the end of the reporting period are as follows:

	31 December 2025			
	Stage 3 Gross loan balance	Allowances for impairment losses		
		Stage 1	Stage 2	Stage 3
Pearl River Delta	86,633	(50,309)	(44,315)	(67,963)
Western	60,585	(68,324)	(59,774)	(41,541)
Central	57,045	(64,460)	(42,746)	(42,533)
Bohai Rim	56,441	(50,472)	(42,140)	(43,572)
Yangtze River Delta	48,550	(66,928)	(30,068)	(36,436)
Head office	23,912	(14,251)	(8,563)	(22,732)
Northeastern	22,517	(11,722)	(9,817)	(16,705)
Overseas	8,299	(2,334)	(2,022)	(6,310)
Total	363,982	(328,800)	(239,445)	(277,792)

	31 December 2024			
	Stage 3 Gross loan balance	Allowances for impairment losses		
		Stage 1	Stage 2	Stage 3
Pearl River Delta	82,590	(48,731)	(34,726)	(62,769)
Central	58,713	(59,114)	(42,581)	(40,756)
Western	52,990	(68,131)	(50,732)	(37,032)
Bohai Rim	48,047	(51,700)	(37,518)	(35,007)
Yangtze River Delta	43,845	(68,909)	(31,726)	(32,007)
Northeastern	24,170	(11,374)	(12,301)	(17,737)
Head office	23,735	(18,367)	(8,842)	(22,621)
Overseas	10,601	(2,043)	(1,486)	(6,684)
Total	344,691	(328,369)	(219,912)	(254,613)

The definitions of geographical segments are set out in Note 57(1). The above allowances for impairment losses do not include allowances for loans and advances measured at fair value through other comprehensive income.



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62 Risk management (continued)**(1) Credit risk (continued)****(e) Loans and advances to customers analysed by type of collateral**

	31 December 2025	31 December 2024
Unsecured loans	13,224,073	11,712,918
Guaranteed loans	3,653,253	3,244,331
Loans secured by property and other immovable assets	9,125,558	9,198,171
Other pledged loans	1,718,972	1,638,297
Accrued interest	50,971	49,577
Gross loans and advances to customers	27,772,827	25,843,294

(f) Restructured loans and advances to customers

The Bank implements the *Rules on Risk Classification of Financial Assets of Commercial Banks (CBIRC PBOC Order [2023] No.1)* for its restructured loans and advances to customers. The proportion of the Group's restructured loans and advances to customers was not significant for the years ended 31 December 2025 and 2024.

(g) Overdue loans analysed by overdue period

	31 December 2025				Total
	Overdue within three months	Overdue between three months and one year	Overdue between one year and three years	Overdue over three years	
Unsecured loans	31,303	41,114	30,250	2,248	104,915
Guaranteed loans	9,555	19,038	39,676	20,010	88,279
Loans secured by property and other immovable assets	45,066	52,559	45,782	17,130	160,537
Other pledged loans	5,148	1,755	3,837	3,343	14,083
Total	91,072	114,466	119,545	42,731	367,814
As a percentage of gross loans and advances to customers	0.33%	0.41%	0.43%	0.16%	1.33%

	31 December 2024				Total
	Overdue within three months	Overdue between three months and one year	Overdue between one year and three years	Overdue over three years	
Unsecured loans	26,338	56,023	14,916	2,572	99,849
Guaranteed loans	5,554	22,075	36,199	11,106	74,934
Loans secured by property and other immovable assets	40,834	52,657	36,642	11,332	141,465
Other pledged loans	1,883	3,893	7,773	1,399	14,948
Total	74,609	134,648	95,530	26,409	331,196
As a percentage of gross loans and advances to customers	0.29%	0.52%	0.37%	0.10%	1.28%

Overdue loans represent loans of which the whole or part of the principal or interest is overdue for 1 day or more.



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62 Risk management (continued)(1) **Credit risk** (continued)(h) **Credit risk exposure***Loans and advances to customers*

	31 December 2025			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Low risk	26,498,672	341,618	–	26,840,290
Medium risk	–	517,584	–	517,584
High risk	–	–	363,982	363,982
Gross loans and advances	26,498,672	859,202	363,982	27,721,856
Allowances for impairment losses on loans and advances measured at amortised cost	(328,800)	(239,445)	(277,792)	(846,037)
Allowances for impairment losses on loans and advances measured at fair value through other comprehensive income	(2,564)	(11)	–	(2,575)

	31 December 2024			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Low risk	24,655,387	287,748	–	24,943,135
Medium risk	–	505,891	–	505,891
High risk	–	–	344,691	344,691
Gross loans and advances	24,655,387	793,639	344,691	25,793,717
Allowances for impairment losses on loans and advances measured at amortised cost	(328,369)	(219,912)	(254,613)	(802,894)
Allowances for impairment losses on loans and advances measured at fair value through other comprehensive income	(2,309)	(5)	–	(2,314)

The Group classifies credit risk characteristics based on the quality of assets. “Low risk” means that loans are of good credit quality and there are no sufficient reasons to doubt that the borrowers of loans are not expected to fulfil its contractual obligations to repay its loans, nor are there any other behaviour breaching the loan contracts and impacting significantly on the repayment of loans; “Medium risk” means that there are factors adversely impacting on the repayment capacity of borrowers, but there are as yet no behaviour impacting significantly on normal repayment of loans; “High risk” means that failure of borrowers to repay loans in accordance with loan contract terms or other behaviour breaching the loan contracts and impacting significantly on the repayment of loans.

Off-balance sheet credit commitments

As at 31 December 2025 and 2024, the Group’s credit risk exposures in off-balance sheet credit commitments were primarily designated as Stage 1 and were primarily assigned the “Low Risk” credit risk rating.



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62 Risk management (continued)**(1) Credit risk (continued)****(h) Credit risk exposure (continued)***Financial investments*

	31 December 2025			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Low risk	11,873,978	419	–	11,874,397
Medium risk	105	7,244	–	7,349
High risk	–	–	9,969	9,969
Total carrying amount excluding accrued interest	11,874,083	7,663	9,969	11,891,715
Allowance for impairment losses on financial assets measured at amortised cost	(12,214)	(476)	(10,017)	(22,707)
Allowance for impairment losses on financial assets measured at fair value through other comprehensive income	(4,143)	(85)	(252)	(4,480)
	31 December 2024			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Low risk	9,928,818	881	–	9,929,699
Medium risk	23,776	270	–	24,046
High risk	–	–	13,208	13,208
Total carrying amount excluding accrued interest	9,952,594	1,151	13,208	9,966,953
Allowance for impairment losses on financial assets measured at amortised cost	(14,212)	(7)	(12,300)	(26,519)
Allowance for impairment losses on financial assets measured at fair value through other comprehensive income	(2,939)	(8)	(303)	(3,250)

The Group classifies financial investment risk characteristics based on asset eligibility and internal rating changes. “Low risk” means that the issuer’s initial internal rating is above the eligible level, and there are no reasons to suspect that the financial investment is expected to be defaulted; “Medium risk” means that although the issuer’s internal rating is reduced to a certain extent, but there are not enough reasons to suspect that the financial investment is expected to be defaulted; “High risk” means that there are obvious problems which may cause a default, or the financial investment indeed is defaulted.



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62 Risk management (continued)(1) **Credit risk** (continued)(h) **Credit risk exposure** (continued)*Amounts due from banks and non-bank financial institutions*

Amounts due from banks and non-bank financial institutions include deposits and placements with banks and non-bank financial institutions, and financial assets held under resale agreements of which counterparties are banks and non-bank financial institutions.

	31 December 2025			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Low risk	1,862,470	–	–	1,862,470
Medium risk	–	–	–	–
High risk	–	–	–	–
Total carrying amount excluding accrued interest	1,862,470	–	–	1,862,470
Allowance for impairment losses	(337)	–	–	(337)

	31 December 2024			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Low risk	1,445,054	–	–	1,445,054
Medium risk	–	–	–	–
High risk	–	–	–	–
Total carrying amount excluding accrued interest	1,445,054	–	–	1,445,054
Allowance for impairment losses	(571)	–	–	(571)

The Group classifies risk characteristics of amounts due from banks and non-bank financial institutions based on asset eligibility and internal rating changes. "Low risk" means that the issuer's initial internal rating is above the eligible level, and there are no reasons to suspect that the amount due from banks and non-bank financial institutions is expected to be defaulted; "Medium risk" means that although the issuer's internal rating is reduced to a certain extent, but there are not enough reasons to suspect that the amount due from banks and non-bank financial institutions is expected to be defaulted; "High risk" means that there are obvious problems which may cause a default, or the amount due from banks and non-bank financial institutions indeed is defaulted.



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(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

62 Risk management (continued)**(1) Credit risk** (continued)*(i) Distribution of amounts due from banks and non-bank financial institutions in terms of credit quality is as follows:*

	31 December 2025	31 December 2024
Credit-impaired	–	–
Allowances for impairment losses	–	–
Subtotal	–	–
Neither overdue nor credit-impaired		
– grades A to AAA	1,400,014	1,082,973
– grades B to BBB	19,963	28,420
– unrated	442,493	333,661
Accrued interest	5,130	5,483
Total	1,867,600	1,450,537
Allowances for impairment losses	(337)	(571)
Subtotal	1,867,263	1,449,966
Total	1,867,263	1,449,966

Amounts neither overdue nor credit-impaired are analysed above according to the Group's internal credit ratings. Unrated amounts due from banks and non-bank financial institutions include amounts due from a number of banks and non-bank financial institutions for which the Group has not assigned internal credit ratings.



NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

62 Risk management (continued)(1) **Credit risk** (continued)(j) *Distribution of debt investments analysed by rating*

The Group adopts a credit rating approach to manage the credit risk of the debt investment portfolio held. The ratings are obtained from Bloomberg Composite, or major rating agencies where the issuers of the debt investments are located. The carrying amounts of the debt investments analysed by the rating agency designations as at the end of the reporting period are as follows:

	31 December 2025					Total
	Unrated	AAA	AA	A	Lower than A	
Credit-impaired						
– Banks and non-bank financial institutions	416	–	–	–	–	416
– Enterprises	9,955	–	–	–	–	9,955
Total	10,371	–	–	–	–	10,371
Allowances for impairment losses						(10,017)
Subtotal						354
Neither overdue nor credit-impaired						
– Government	4,065,703	5,760,661	121,525	24,146	18,271	9,990,306
– Central banks	29,233	13,125	21,060	4,716	2,091	70,225
– Policy banks	745,289	–	–	65,395	–	810,684
– Banks and non-bank financial institutions	433,567	394,994	46,819	166,277	38,641	1,080,298
– Enterprises	187,396	293,096	19,548	66,923	8,641	575,604
Total	5,461,188	6,461,876	208,952	327,457	67,644	12,527,117
Allowances for impairment losses						(12,690)
Subtotal						12,514,427
Total						12,514,781



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62 Risk management (continued)**(1) Credit risk** (continued)**(i) Distribution of debt investments analysed by rating** (continued)

	31 December 2024					Total
	Unrated	AAA	AA	A	Lower than A	
Credit-impaired						
– Banks and non-bank financial institutions	813	–	–	–	–	813
– Enterprises	10,745	335	147	–	1,706	12,933
Total	11,558	335	147	–	1,706	13,746
Allowances for impairment losses						(12,300)
Subtotal						1,446
Neither overdue nor credit-impaired						
– Government	3,210,745	4,971,862	35,887	24,598	15,424	8,258,516
– Central banks	12,372	4,273	23,393	5,565	2,479	48,082
– Policy banks	896,996	16,933	428	102,222	–	1,016,579
– Banks and non-bank financial institutions	184,355	374,917	20,319	119,022	33,409	732,022
– Enterprises	15,307	289,027	13,674	28,965	4,477	351,450
Total	4,319,775	5,657,012	93,701	280,372	55,789	10,406,649
Allowances for impairment losses						(14,219)
Subtotal						10,392,430
Total						10,393,876



NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

62 Risk management (continued)

(1) Credit risk (continued)

(k) Credit risk arising from the Group's derivative exposures

The Group's derivatives transactions entered into with customers have been hedged against transactions entered into with banks and non-bank financial institutions. The credit risk the Group is exposed to is related to customers, banks and non-bank financial institutions. The Group manages credit risk through regular monitoring.

From 1 January 2024, the Group adopted *the Rules on Capital Management of Commercial Banks* and other related policies. According to the rules set out by the NFRA, the Group measures the EAD of derivative transactions using the standardised approach for counterparty credit risk (SA-CCR), measures counterparty credit risk-weighted assets of derivative transactions using the standardised approach for credit risk, and measures risk-weighted assets for credit valuation adjustment using the reduced version of basic approach.

Analysed by counterparty credit risk-weighted asset:

	Note	31 December 2025	31 December 2024
Counterparty credit default risk-weighted assets			
– Interest rate contracts		6,227	6,598
– Exchange rate contracts		62,668	70,479
– Other contracts	(i)	31,354	39,940
Subtotal		100,249	117,017
Risk-weighted assets for credit valuation adjustment		20,685	46,944
Total		120,934	163,961

(i) Other contracts mainly consist of precious metals and commodity contracts.

(l) Settlement risk

The Group's activities may give rise to settlement risk at the time of the settlement of transactions and trades. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed.

For certain types of transactions, the Group mitigates this risk by conducting settlements through a settlement or clearing agent to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.



NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

62 Risk management (continued)**(1) Credit risk (continued)****(m) Sensitivity analysis**

Models and parameters such as forward-looking empirical models, forecast values of macroeconomic variables and stage designation results would have an impact on ECL.

(i) Sensitivity analysis of segmentation

A significant increase in credit risk since initial recognition will result in financial assets transferring from Stage 1 to Stage 2, and the loss allowance for those financial assets shall be measured at an amount equal to the lifetime expected credit losses. The following tables present the impact of ECL from the second year to the end of the lifetime for financial assets in Stage 2.

	31 December 2025		
	Allowances for 12-month ECL of all performing financial assets	Impact over lifetime	Current allowances for impairment losses
Performing loans	515,934	52,311	568,245
Performing financial investments	16,703	215	16,918

	31 December 2024		
	Allowances for 12-month ECL of all performing financial assets	Impact over lifetime	Current allowances for impairment losses
Performing loans	502,471	45,810	548,281
Performing financial investments	17,159	7	17,166

The above allowances for impairment losses of financial assets did not contain the impairment loss allowances for loans and advances measured at fair value through other comprehensive income.

(ii) Sensitivity analysis of macroeconomic variables

The Group has carried out sensitivity analysis of GDP forecast. As at 31 December 2025, when GDP growth rate in the baseline scenario increased or decreased by 10%, the change in allowances for impairment losses of financial assets did not exceed 5% (as at 31 December 2024: did not exceed 5%).

(2) Market risk

Market risk is the risk of loss, in respect of the Group's on and off-balance sheet activities, arising from adverse movements in market rates including interest rates, foreign exchange rates, commodity prices and stock prices. Market risk arises from both the Group's trading and non-trading businesses. A trading book consists of positions in financial instruments and commodities held either with trading intent or in order to hedge other elements of the trading book. Non-trading book records those financial instruments and commodities which are not included in the trading book.

The Group continues to improve market risk management system. The Risk Management Department is responsible for leading the establishment of market risk management policies and rules, developing the market risk measurement tools, monitoring and reporting the trading market risk and related daily work. The Asset and Liability Management Department (the "ALM") is responsible for managing interest rate risk and exchange rate risk of non-trading businesses, as well as the size and structure of assets and liabilities in response to structural market risk. The Financial Market Department manages the Bank's RMB and foreign currency investment portfolios, conducts proprietary and customer-driven transactions, as well as implementing market risk management policies and rules. The Audit Department is responsible for regularly performing independent audits of the reliability and effectiveness of the processes constituting the risk management system.



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62 Risk management (continued)

(2) Market risk (continued)

The Group's interest rate risk mainly comprises repricing risk and basis risk arising from the mismatch of term structure and pricing basis of assets and liabilities. The Group uses multiple tools such as repricing gap analysis, sensitivity analysis on net interest income, scenario analysis and stress testing, to monitor the interest rate risk periodically.

The Group's foreign exchange exposures mainly comprise exposures from foreign currency portfolios within treasury proprietary investments in debt securities and money market placements, and currency exposures from its overseas business. The Group manages its foreign exchange exposures by spot foreign exchange transactions and by matching its foreign currency denominated assets with corresponding liabilities in the same currency, and also uses derivatives in the management of its own foreign currency asset and liability portfolios and structural positions.

The Group monitors market risk separately in respect of trading portfolios and non-trading portfolios. Trading portfolios include exchange rate and interest rate derivatives as well as trading securities. The historical simulation model for the Value-at-Risk ("VaR") analysis is a major tool used by the Bank to measure and monitor the market risk of its trading portfolio. Net interest income sensitivity analysis, interest rate repricing gap analysis and foreign exchange risk concentration analysis are the major tools used by the Group to monitor the market risk of its overall businesses.

(a) VaR analysis

VaR is a technique which estimates the potential losses that could occur on risk positions taken, due to movements in market interest rates, foreign exchange rates of all books and other market prices over a specified time horizon and at a given level of confidence. The Risk Management Department calculates interest rates for the Bank's trading book, foreign exchange rates and commodity prices VaR for the Bank's trading book and banking book. By reference to historical movements in interest rates, foreign exchange rates and commodity prices, the Risk Management Department calculates VaR on a daily basis for the trading book and monitors it regularly. VaR is calculated at a confidence level of 99% and with a holding period of one day.

A summary of the VaR of the Bank's trading portfolio as at the end of the reporting period and during the respective years is as follows:

2025					
	Note	As at 31 December	Average	Maximum	Minimum
VaR of trading portfolio		231	288	379	204
Of which:					
– Interest rate risk		115	146	246	73
– Foreign exchange risk	(i)	195	273	363	176
– Commodity risk		15	6	40	–
2024					
	Note	As at 31 December	Average	Maximum	Minimum
VaR of trading portfolio		300	265	331	199
Of which:					
– Interest rate risk		75	37	88	22
– Foreign exchange risk	(i)	311	261	343	201
– Commodity risk		1	1	6	–

(i) The VaR in relation to bullion is included in the foreign exchange risk above.



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62 Risk management (continued)**(2) Market risk** (continued)**(a) VaR analysis** (continued)

VaR for each risk factor is the independently derived largest potential loss for a specific holding period and at a given confidence level due to fluctuations solely in that risk factor. The individual VaRs do not add up to the total VaR as there is diversification effect due to correlation amongst the risk factors.

Although VaR is an important tool for measuring market risk, the assumptions on which the model is based give rise to some limitations, including the following:

- A 1-day holding period assumes that it is possible to hedge or dispose of positions within that period. This is considered to be a realistic assumption in almost all cases but may not be the case in situations in which there is severe market illiquidity for a prolonged period;
- A 99 percent confidence level does not reflect losses that may occur beyond this level. Within the model used, there is 1 percent probability that losses could exceed the VaR;
- VaR is calculated on an end-of-day basis and does not reflect exposures that may arise on positions during the trading day;
- The use of historical data as a basis for determining the possible range of future outcomes may not always cover all possible scenarios, especially those of an exceptional nature; and
- The VaR measure is dependent upon the Bank's position and the volatility of market prices. The VaR of an unchanged position reduces if the market price volatility declines and vice versa.

(b) Interest rate sensitivity analysis

In monitoring interest rate risk on its overall non-derivative financial assets and liabilities, the Bank regularly measures its future net interest income sensitivity to an increase or decrease in market interest rates (assuming no asymmetrical movement in yield curves and a constant financial position). An incremental 100 basis points parallel fall or rise in all yield curves, other than that applicable to deposits with central banks, would increase or decrease annualised net interest income of the Group by RMB61,732 million (as at 31 December 2024: RMB46,805 million). Had the impact of yield curves movement for demand deposits from customers been excluded, the annualised net interest income of the Group would decrease or increase by RMB91,958 million (as at 31 December 2024: RMB92,363 million). In the event of a parallel fall or rise of 100 basis points in the yield curve, equity would increase by RMB190,344 million (as at 31 December 2024: RMB119,288 million) or decrease by RMB170,372 million (as at 31 December 2024: RMB108,445 million), respectively.

The above interest rate sensitivity is for illustration purposes only and is assessed based on simplified assumptions. The figures here indicate estimated net interest income and equity movements under various predicted yield curve scenarios and subject to the Bank's current interest rate exposures. However, the possible risk management measures that can be undertaken by the interest risk management department or related business departments to mitigate interest rate risk have not been taken into account. In practice, the departments that manage the interest rate risk strive to reduce loss arising from the risk while increasing the net income. These figures are estimated on the assumption that the interest rates on various maturities will move within similar ranges, and therefore do not reflect the potential net interest income changes and equity changes in the event that interest rates on some maturities may change and others remain unchanged. Moreover, the above estimations are based on other simplified assumptions, including that all positions will be held to maturity and rolled over upon maturity.



NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

62 Risk management (continued)**(2) Market risk** (continued)**(c) Interest rate risk**

Interest rate risk refers to the risk where the market interest rates, term structure and other factors may experience unfavourable fluctuations which impact the overall profitability and fair value resulting in losses to the Bank. The key determinants of the Group's interest rate risk arise from the mismatch between the maturity periods of the assets and liabilities, and inconsistent pricing basis, resulting in re-pricing risk and basis risk.

The ALM is responsible for regularly monitoring the interest rate risk positions and measuring the interest rate re-pricing gap. The main reason for measuring the interest rate re-pricing gap is to assist in analysing the impact of interest rate changes on net interest income.

The following tables indicate the analysis by the expected next repricing dates (or maturity dates whichever are earlier) for the assets and liabilities of the Group as at the end of the reporting period.

		31 December 2025					
	Note	Non-interest-bearing	Within three months	Between three months and one year	Between one and five years	More than five years	Total
Assets							
Cash and deposits with central banks		108,736	2,945,069	394	–	–	3,054,199
Deposits and placements with banks and non-bank financial institutions		–	534,144	468,241	8,060	–	1,010,445
Financial assets held under resale agreements		–	856,818	–	–	–	856,818
Loans and advances to customers	(i)	31,704	13,373,913	12,095,528	1,362,208	63,437	26,926,790
Investments	(ii)	411,653	985,382	1,385,738	4,418,378	5,723,982	12,925,133
Others		858,433	–	–	–	–	858,433
Total assets		1,410,526	18,695,326	13,949,901	5,788,646	5,787,419	45,631,818
Liabilities							
Borrowings from central banks		–	131,408	963,993	906	–	1,096,307
Deposits and placements from banks and non-bank financial institutions		–	3,771,169	762,287	232,898	20,820	4,787,174
Financial liabilities measured at fair value through profit or loss		61,046	204,144	59,040	–	–	324,230
Financial assets sold under repurchase agreements		–	1,237,502	253,346	84	–	1,490,932
Deposits from customers		84,900	16,994,422	6,025,931	7,695,240	35,081	30,835,574
Debt securities issued		–	701,597	1,085,924	668,026	137,977	2,593,524
Others		818,000	–	–	–	–	818,000
Total liabilities		963,946	23,040,242	9,150,521	8,597,154	193,878	41,945,741
Asset-liability gap		446,580	(4,344,916)	4,799,380	(2,808,508)	5,593,541	3,686,077



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62 Risk management (continued)

(2) Market risk (continued)

(c) Interest rate risk (continued)

		31 December 2024					
	Note	Non-interest-bearing	Within three months	Between three months and one year	Between one and five years	More than five years	Total
Assets							
Cash and deposits with central banks		107,769	2,463,124	468	–	–	2,571,361
Deposits and placements with banks and non-bank financial institutions		–	409,941	405,964	11,502	–	827,407
Financial assets held under resale agreements		–	621,346	1,213	–	–	622,559
Loans and advances to customers	(i)	45,447	11,876,651	12,244,572	786,070	87,660	25,040,400
Investments	(ii)	315,092	411,568	1,213,320	3,598,432	5,169,111	10,707,523
Others		801,899	–	–	–	–	801,899
Total assets		1,270,207	15,782,630	13,865,537	4,396,004	5,256,771	40,571,149
Liabilities							
Borrowings from central banks		–	195,789	745,856	949	–	942,594
Deposits and placements from banks and non-bank financial institutions		–	2,462,199	434,458	415,228	3,881	3,315,766
Financial liabilities measured at fair value through profit or loss		19,309	178,481	42,803	–	–	240,593
Financial assets sold under repurchase agreements		–	430,104	309,015	799	–	739,918
Deposits from customers		79,967	15,844,316	5,384,333	7,389,066	16,188	28,713,870
Debt securities issued		–	459,229	1,214,182	579,491	133,693	2,386,595
Others		887,848	–	–	–	–	887,848
Total liabilities		987,124	19,570,118	8,130,647	8,385,533	153,762	37,227,184
Asset-liability gap		283,083	(3,787,488)	5,734,890	(3,989,529)	5,103,009	3,343,965

(i) For loans and advances to customers, the “within three months” category includes overdue amounts (net of allowances for impairment losses) of RMB61,881 million as at 31 December 2025 (as at 31 December 2024: RMB56,061 million).

(ii) Investments include financial assets measured at fair value through profit or loss, financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income and long-term equity investments, etc.



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62 Risk management (continued)**(2) Market risk** (continued)**(d) Currency risk**

The Group's foreign exchange exposures mainly comprise exposures that arise from the foreign currency proprietary investments of the treasury business and currency exposures originated by the Group's overseas businesses.

The Group manages currency risk by spot and forward foreign exchange transactions and by matching its foreign currency denominated assets with corresponding liabilities in the same currency, and also uses derivatives (principally foreign exchange swaps and cross currency swaps) in the management of its own foreign currency asset and liability portfolios and structural positions.

The Group actively manages foreign currency exposures by minimising foreign exchange risk by business lines. Therefore, the net exposure is not sensitive to exchange rate fluctuations and the potential impact on the pre-tax profits and other comprehensive income of the Group is not material.

The currency exposures of the Group's assets and liabilities as at the end of the reporting period are as follows:

		31 December 2025			
	Note	RMB	USD (RMB equivalent)	Others (RMB equivalent)	Total
Assets					
Cash and deposits with central banks		2,894,887	94,349	64,963	3,054,199
Deposits and placements with banks and non-bank financial institutions		824,333	157,189	28,923	1,010,445
Financial assets held under resale agreements		809,717	40,853	6,248	856,818
Loans and advances to customers		26,152,567	398,078	376,145	26,926,790
Investments	(i)	12,314,342	332,274	278,517	12,925,133
Others		780,558	59,839	18,036	858,433
Total assets		43,776,404	1,082,582	772,832	45,631,818
Liabilities					
Borrowings from central banks		1,053,514	10,921	31,872	1,096,307
Deposits and placements from banks and non-bank financial institutions		4,239,481	350,434	197,259	4,787,174
Financial liabilities measured at fair value through profit or loss		300,719	2,993	20,518	324,230
Financial assets sold under repurchase agreements		1,477,336	7,054	6,542	1,490,932
Deposits from customers		29,895,899	529,999	409,676	30,835,574
Debt securities issued		2,301,945	179,425	112,154	2,593,524
Others		787,461	7,842	22,697	818,000
Total liabilities		40,056,355	1,088,668	800,718	41,945,741
Net position		3,720,049	(6,086)	(27,886)	3,686,077
Net notional amount of derivatives		(59,717)	(77,330)	133,833	(3,214)
Credit commitments		3,699,905	308,250	187,706	4,195,861



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62 Risk management (continued)**(2) Market risk (continued)****(d) Currency risk (continued)**

		31 December 2024			
	Note	RMB	USD (RMB equivalent)	Others (RMB equivalent)	Total
Assets					
Cash and deposits with central banks		2,399,191	110,843	61,327	2,571,361
Deposits and placements with banks and non-bank financial institutions		629,553	163,030	34,824	827,407
Financial assets held under resale agreements		621,346	–	1,213	622,559
Loans and advances to customers		24,262,628	414,631	363,141	25,040,400
Investments	(i)	10,320,063	235,931	151,529	10,707,523
Others		693,925	75,473	32,501	801,899
Total assets		38,926,706	999,908	644,535	40,571,149
Liabilities					
Borrowings from central banks		867,919	13,180	61,495	942,594
Deposits and placements from banks and non-bank financial institutions		2,869,072	307,483	139,211	3,315,766
Financial liabilities measured at fair value through profit or loss		224,067	4,240	12,286	240,593
Financial assets sold under repurchase agreements		721,281	8,753	9,884	739,918
Deposits from customers		27,917,176	488,906	307,788	28,713,870
Debt securities issued		2,091,358	204,540	90,697	2,386,595
Others		829,608	20,824	37,416	887,848
Total liabilities		35,520,481	1,047,926	658,777	37,227,184
Net position		3,406,225	(48,018)	(14,242)	3,343,965
Net notional amount of derivatives		(59,073)	(33,667)	93,982	1,242
Credit commitments		3,480,217	321,435	162,799	3,964,451

(i) Please refer to Note 62(2)(c)(ii) for the scope of investments.

(3) Liquidity risk

The Group adheres to a liquidity management strategy featuring prudence, decentralisation, coordination and diversification. Management's objective for liquidity risk management is to establish and improve a liquidity management system that can fully identify, accurately measure, continuously monitor, and effectively control liquidity risk, effectively balance the return on funds and security of funds, and safeguard the steady operation across the Bank.

The Group conducts quarterly liquidity risk stress testing in order to gauge its risk tolerance in different stress scenarios. The results of stress testing show that under different stress scenarios, the Group's liquidity risk is under control.

The Group adopts liquidity indicator analysis, remaining maturity analysis and undiscounted cash flow analysis to measure the liquidity risk.



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62 Risk management (continued)**(3) Liquidity risk** (continued)**(a) Maturity analysis**

The following tables provide an analysis of the assets and liabilities of the Group based on the remaining periods to repayment as at the end of the reporting period:

	31 December 2025							Total
	Indefinite	Repayable on demand	Within one month	Between one and three months	Between three months and one year	Between one and five years	More than five years	
Assets								
Cash and deposits with central banks	2,270,092	782,530	-	1,183	394	-	-	3,054,199
Deposits and placements with banks and non-bank financial institutions	-	96,253	258,250	179,300	468,315	8,327	-	1,010,445
Financial assets held under resale agreements	-	-	856,519	299	-	-	-	856,818
Loans and advances to customers	111,651	989,462	1,181,008	2,147,384	6,583,500	7,506,760	8,407,025	26,926,790
Investments								
– Financial assets measured at fair value through profit or loss	243,317	90,358	28,029	41,102	183,202	76,873	212,113	874,994
– Financial assets measured at amortised cost	269	-	35,733	183,685	589,195	2,756,059	4,174,711	7,739,652
– Financial assets measured at fair value through other comprehensive income	49,928	-	260,486	351,664	619,177	1,653,631	1,347,820	4,282,706
– Long-term equity investments	27,781	-	-	-	-	-	-	27,781
Others	370,863	355,272	20,599	33,801	38,305	27,350	12,243	858,433
Total assets	3,073,901	2,313,875	2,640,624	2,938,418	8,482,088	12,029,000	14,153,912	45,631,818
Liabilities								
Borrowings from central banks	-	-	39,697	91,711	963,993	906	-	1,096,307
Deposits and placements from banks and non-bank financial institutions	-	2,638,906	496,089	605,677	766,434	249,727	30,341	4,787,174
Financial liabilities measured at fair value through profit or loss	-	61,046	143,921	60,223	59,040	-	-	324,230
Financial assets sold under repurchase agreements	-	-	650,221	587,281	253,346	84	-	1,490,932
Deposits from customers	-	12,912,506	1,831,290	2,323,640	6,028,584	7,703,800	35,754	30,835,574
Debt securities issued	-	-	141,719	505,542	1,090,722	717,564	137,977	2,593,524
Others	73,594	240,087	55,061	39,423	100,582	71,526	237,727	818,000
Total liabilities	73,594	15,852,545	3,357,998	4,213,497	9,262,701	8,743,607	441,799	41,945,741
Net gaps	3,000,307	(13,538,670)	(717,374)	(1,275,079)	(780,613)	3,285,393	13,712,113	3,686,077
Notional amount of derivatives								
– Interest rate contracts	-	-	281,216	573,781	1,446,332	619,539	25,266	2,946,134
– Exchange rate contracts	-	-	1,582,796	1,622,801	2,895,267	127,811	4,609	6,233,284
– Other contracts	-	-	142,984	61,649	117,455	8,135	-	330,223
Total	-	-	2,006,996	2,258,231	4,459,054	755,485	29,875	9,509,641



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(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

62 Risk management (continued)

(3) Liquidity risk (continued)

(a) Maturity analysis (continued)

	31 December 2024							Total
	Indefinite	Repayable on demand	Within one month	Between one and three months	Between three months and one year	Between one and five years	More than five years	
Assets								
Cash and deposits with central banks	2,263,961	305,752	–	1,180	468	–	–	2,571,361
Deposits and placements with banks and non-bank financial institutions	–	99,404	212,706	97,574	406,267	11,456	–	827,407
Financial assets held under resale agreements	–	–	621,346	–	1,213	–	–	622,559
Loans and advances to customers	109,710	1,041,426	918,562	1,889,087	6,646,368	6,547,324	7,887,923	25,040,400
Investments								
– Financial assets measured at fair value through profit or loss	214,855	43,701	6,358	20,966	89,471	53,781	183,372	612,504
– Financial assets measured at amortised cost	713	–	22,186	62,731	478,071	2,449,332	4,416,690	7,429,723
– Financial assets measured at fair value through other comprehensive income	32,263	–	87,900	177,930	637,937	1,127,504	578,202	2,641,736
– Long-term equity investments	23,560	–	–	–	–	–	–	23,560
Others	354,151	248,254	34,012	61,085	65,494	19,460	19,443	801,899
Total assets	2,999,213	1,738,537	1,903,070	2,310,553	8,325,289	10,208,857	13,085,630	40,571,149
Liabilities								
Borrowings from central banks	–	–	88,672	107,117	745,856	949	–	942,594
Deposits and placements from banks and non-bank financial institutions	–	1,651,856	459,228	323,840	437,014	429,740	14,088	3,315,766
Financial liabilities measured at fair value through profit or loss	–	19,309	116,842	61,639	42,803	–	–	240,593
Financial assets sold under repurchase agreements	–	–	176,141	253,963	309,015	799	–	739,918
Deposits from customers	–	12,382,497	1,513,049	2,020,375	5,388,776	7,391,103	18,070	28,713,870
Debt securities issued	–	–	169,986	272,380	1,216,956	593,580	133,693	2,386,595
Others	5,532	373,349	65,490	40,720	94,015	80,873	227,869	887,848
Total liabilities	5,532	14,427,011	2,589,408	3,080,034	8,234,435	8,497,044	393,720	37,227,184
Net gaps	2,993,681	(12,688,474)	(686,338)	(769,481)	90,854	1,711,813	12,691,910	3,343,965
Notional amount of derivatives								
– Interest rate contracts	–	–	185,776	165,694	375,280	205,031	12,146	943,927
– Exchange rate contracts	–	–	1,482,353	1,300,984	2,776,854	137,068	3,029	5,700,288
– Other contracts	–	–	63,246	65,742	98,316	4,636	–	231,940
Total	–	–	1,731,375	1,532,420	3,250,450	346,735	15,175	6,876,155



NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

62 Risk management (continued)(3) **Liquidity risk** (continued)(b) *Contractual undiscounted cash flow*

The following tables provide an analysis of the contractual undiscounted cash flow of the non-derivative financial liabilities and off-balance sheet credit commitments of the Group as at the end of the reporting period. The Group's expected cash flows on these instruments may vary significantly from this analysis.

	31 December 2025							
	Carrying amount	Gross cash outflow	Repayable on demand	Within one month	Between one and three months	Between three months and one year	Between one and five years	More than five years
Non-derivative financial liabilities								
Borrowings from central banks	1,096,307	1,107,419	-	39,763	92,125	974,622	909	-
Deposits and placements from banks and non-bank financial institutions	4,787,174	4,815,508	2,638,906	496,848	607,824	776,729	262,171	33,030
Financial liabilities measured at fair value through profit or loss	324,230	324,230	61,046	143,921	60,223	59,040	-	-
Financial assets sold under repurchase agreements	1,490,932	1,494,133	-	650,474	588,666	254,909	84	-
Deposits from customers	30,835,574	31,212,014	12,912,506	1,848,935	2,348,899	6,109,991	7,955,489	36,194
Debt securities issued	2,593,524	2,691,121	-	143,498	507,028	1,116,825	775,243	148,527
Other non-derivative financial liabilities	520,595	753,895	143,015	20,202	10,958	51,926	62,212	465,582
Total	41,648,336	42,398,320	15,755,473	3,343,641	4,215,723	9,344,042	9,056,108	683,333
Off-balance sheet loan commitments and credit card commitments (Note)		1,741,057	1,176,125	8,631	14,447	135,124	186,666	220,064
Guarantees, acceptances and other credit commitments (Note)		2,454,804	346	326,628	382,514	1,163,870	538,518	42,928



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(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

62 Risk management (continued)

(3) Liquidity risk (continued)

(b) Contractual undiscounted cash flow (continued)

	31 December 2024							
	Carrying amount	Gross cash outflow	Repayable on demand	Within one month	Between one and three months	Between three months and one year	Between one and five years	More than five years
Non-derivative financial liabilities								
Borrowings from central banks	942,594	954,775	–	88,802	107,603	757,416	954	–
Deposits and placements from banks and non-bank financial institutions	3,315,766	3,356,242	1,651,856	459,750	325,752	445,333	456,728	16,823
Financial liabilities measured at fair value through profit or loss	240,593	240,593	19,309	116,842	61,639	42,803	–	–
Financial assets sold under repurchase agreements	739,918	742,783	–	176,171	254,614	311,179	819	–
Deposits from customers	28,713,870	29,626,429	12,382,741	1,558,899	2,084,847	5,610,320	7,970,727	18,895
Debt securities issued	2,386,595	2,488,616	–	170,822	274,226	1,244,984	650,457	148,127
Other non-derivative financial liabilities	570,819	780,553	202,836	32,312	12,526	33,781	69,173	429,925
Total	36,910,155	38,189,991	14,256,742	2,603,598	3,121,207	8,445,816	9,148,858	613,770
Off-balance sheet loan commitments and credit card commitments (Note)		1,700,841	1,202,256	10,696	15,750	77,567	170,474	224,098
Guarantees, acceptances and other credit commitments (Note)		2,263,610	1,772	298,669	339,599	1,048,432	540,128	35,010

Note: The off-balance sheet loan commitments and credit card commitments may expire without being drawn upon. Guarantees, acceptances and other credit commitments do not represent the amounts to be paid.



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(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

62 Risk management (continued)

(4) Operational risk

The Board of the Bank assumes the ultimate responsibility for operational risk management. Senior management is responsible for the implementation of operational risk management, with key duties including organising the formulation of basic policies and rules on operational risk management. The operational risk organisational structure comprises business and management departments, operational risk management departments, and audit department.

The Group has formulated rules for operational risk management, and established an operational risk management system tailored to its business nature, size, complexity and risk profile. Such management framework strengthens the coordinated control of “three lines of defence” and uses operational risk appetite and its transmission as guiding principles. Empowered by operational risk management tools and supported by operational risk culture, staffing, incentives and disciplines, and IT systems, the Group continues to promote identification and assessment, control and mitigation, monitoring and reporting, and capital measurement of operational risks in business products and management activities. It also periodically reviews and optimises the operational risk management framework. In addition, it systematically embeds internal control requirements into the development of policies, processes, and systems related to operation management, implementing internal control measures across business operations, products, and management activities to effectively prevent and control operational risks and reduce losses.

In 2025, the Group actively benchmarked itself against the *Rules on Operational Risk Management of Banking and Insurance Institutions*, further improving management mechanisms such as the transmission of operational risk appetite, risk reporting and new product risk assessment to cement the foundation for operational risk management. It strictly implemented regulatory requirements, continued to refine its operational risk management and measurement framework, and systematically pressed ahead with regulatory assessment and validation related to the new standardised approach for operational risk. The Group conducted a new round of business impact analysis, established a coordination mechanism between periodic analyses and regular analyses, iterated its business continuity management strategy, and identified critical business operations so as to be well prepared for operational risk exposures. Furthermore, it conducted drills for critical business operations, focusing on key management areas to enhance emergency awareness and response capabilities of entities and personnel, thereby improving the effectiveness of such drills.

(5) Fair value of financial instruments

(a) Valuation process, technique and input

The Board is responsible for establishing a robust internal control policy of valuation, and takes the ultimate responsibility for the adequacy and effectiveness of internal control system. According to the requirements of the Board, senior management is responsible for organising and implementing the internal control system over the valuation process to ensure the effectiveness of the internal control system of valuation.

The Group has established an independent valuation process for financial assets and financial liabilities. The relevant departments are responsible for performing valuation, verifying valuation model and accounting of valuation results.

For the year ended 31 December 2025, there was no significant change in the valuation techniques or inputs used to determine fair value as compared to those used for the year ended 31 December 2024.

(b) Fair value hierarchy

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value based on inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Fair value based on inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).



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(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

62 Risk management (continued)

(5) Fair value of financial instruments (continued)

(c) Financial instruments measured at fair value

(i) Fair value hierarchy

The tables below analyse financial instruments, measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

	31 December 2025			
	Level 1	Level 2	Level 3	Total
Measured at fair value on a recurring basis				
Assets				
Positive fair value of derivatives	–	49,297	3	49,300
Loans and advances to customers				
– Loans and advances to customers measured at fair value through other comprehensive income	–	2,092,713	–	2,092,713
Financial assets measured at fair value through profit or loss				
Financial assets held for trading purposes				
– Debt securities	3,636	314,031	–	317,667
– Equity instruments and funds	1,756	2,368	–	4,124
Other financial assets measured at fair value through profit or loss				
– Debt securities	62	137,534	3,383	140,979
– Equity instruments, funds and others	20,423	243,883	147,918	412,224
Financial assets measured at fair value through other comprehensive income				
– Bond investments	414,423	3,816,967	957	4,232,347
– Debt investments	–	–	456	456
– Equity instruments designated as measured at fair value through other comprehensive income	21,540	–	28,363	49,903
Total	461,840	6,656,793	181,080	7,299,713
Measured at fair value on a recurring basis				
Liabilities				
Financial liabilities measured at fair value through profit or loss	–	322,715	1,515	324,230
Negative fair value of derivatives	–	89,801	3	89,804
Total	–	412,516	1,518	414,034



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(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

62 Risk management (continued)

(5) Fair value of financial instruments (continued)

(c) Financial instruments measured at fair value (continued)

(i) Fair value hierarchy (continued)

	31 December 2024			
	Level 1	Level 2	Level 3	Total
Measured at fair value on a recurring basis				
Assets				
Positive fair value of derivatives	–	108,049	4	108,053
Loans and advances to customers				
– Loans and advances to customers measured at fair value through other comprehensive income	–	1,631,752	–	1,631,752
Financial assets measured at fair value through profit or loss				
Financial assets held for trading purposes				
– Debt securities	3,495	127,185	–	130,680
– Equity instruments and funds	302	2,747	–	3,049
Other financial assets measured at fair value through profit or loss				
– Debt securities	5	141,604	3,472	145,081
– Equity instruments, funds and others	13,542	174,345	145,807	333,694
Financial assets measured at fair value through other comprehensive income				
– Bond investments	292,397	2,316,116	960	2,609,473
– Debt investments	–	–	41	41
– Equity instruments designated as measured at fair value through other comprehensive income	13,781	–	18,441	32,222
Total	323,522	4,501,798	168,725	4,994,045
Measured at fair value on a recurring basis				
Liabilities				
Financial liabilities measured at fair value through profit or loss	–	239,005	1,588	240,593
Negative fair value of derivatives	–	93,986	4	93,990
Total	–	332,991	1,592	334,583

A majority of the financial assets classified as level 2 are RMB bonds. The fair value of these bonds is determined based on the valuation results provided by China Central Depository & Clearing Co., Ltd. A majority of the financial liabilities designated as measured at fair value through profit or loss classified as level 2 are the funds raised from structured deposits, the fair value of which are determined based on the income approach. The majority of derivatives are classified as level 2 and valued using the income approach. For the valuation of financial instruments classified as level 2, all significant inputs are observable market data.

The financial assets classified as level 3 are primarily unlisted equity instruments. These financial assets are valued using the income approach and market approach, which incorporate the non-observable assumptions including discount rate and P/B ratio.

The Group upgraded certain financial instruments from Level 3 to Level 1 of the fair value hierarchy due to the fact that the valuation technique had changed or that certain previously unobservable significant inputs used in fair value measurements had now become observable.



NOTES TO THE FINANCIAL STATEMENTS

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62 Risk management (continued)**(5) Fair value of financial instruments** (continued)**(c) Financial instruments measured at fair value** (continued)**(ii) Movements of fair value of financial instruments in level 3 of the fair value hierarchy**

The following tables show a reconciliation from the opening balances to the ending balances for fair value measurement in level 3 of the fair value hierarchy:

	2025									
	Positive fair value of derivatives	Other financial assets measured at fair value through profit or loss		Financial assets measured at fair value through other comprehensive income				Financial liabilities measured at fair value through profit or loss	Negative fair value of derivatives	Total liabilities
		Debt securities	Equity instruments, funds and others	Bond investments	Debt investments	Equity instruments	Total assets			
As at 1 January 2025	4	3,472	145,807	960	41	18,441	168,725	(1,588)	(4)	(1,592)
Total gains or losses:										
In profit or loss	(1)	18	(1,459)	-	-	-	(1,442)	(161)	1	(160)
In other comprehensive income	-	-	-	(3)	(15)	(1,432)	(1,450)	-	-	-
Purchases	-	208	43,089	-	430	12,432	56,159	(346)	-	(346)
Sales, settlements and transfers out	-	(315)	(39,519)	-	-	(1,078)	(40,912)	580	-	580
As at 31 December 2025	3	3,383	147,918	957	456	28,363	181,080	(1,515)	(3)	(1,518)

	2024									
	Positive fair value of derivatives	Other financial assets measured at fair value through profit or loss		Financial assets measured at fair value through other comprehensive income				Financial liabilities measured at fair value through profit or loss	Negative fair value of derivatives	Total liabilities
		Debt securities	Equity instruments, funds and others	Bond investments	Debt investments	Equity instruments	Total assets			
As at 1 January 2024	8	1,131	163,259	-	54	7,439	171,891	(687)	(8)	(695)
Total gains or losses:										
In profit or loss	(4)	38	(2,154)	-	-	-	(2,120)	(506)	4	(502)
In other comprehensive income	-	-	-	20	(13)	9,902	9,909	-	-	-
Purchases	-	2,827	21,320	940	-	1,100	26,187	(1,041)	-	(1,041)
Sales, settlements and transfers out	-	(524)	(36,618)	-	-	-	(37,142)	646	-	646
As at 31 December 2024	4	3,472	145,807	960	41	18,441	168,725	(1,588)	(4)	(1,592)

In level 3 of the fair value hierarchy, total gains or losses included in profit or loss for the year in the above table are presented in net trading gain and net loss arising from investment securities.

Gains or losses on level 3 financial assets and liabilities included in the statement of comprehensive income comprise:

	2025			2024		
	Realised	Unrealised	Total	Realised	Unrealised	Total
Net gains/(losses)	220	(1,822)	(1,602)	1,590	(4,212)	(2,622)



NOTES TO THE FINANCIAL STATEMENTS

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62 Risk management (continued)**(5) Fair value of financial instruments** (continued)**(d) Financial instruments not measured at fair value****(i) Financial assets**

The Group's financial assets not measured at fair value mainly include cash and deposits with central banks, deposits and placements with banks and non-bank financial institutions, financial assets held under resale agreements, loans and advances to customers and financial assets measured at amortised cost.

Deposits with central banks, deposits and placements with banks and non-bank financial institutions and financial assets held under resale agreements

Deposits with central banks, deposits and placements with banks and non-bank financial institutions and financial assets held under resale agreements are mainly priced at market interest rates and mature within one year. Accordingly, the carrying values approximate to the fair values.

Loans and advances to customers

Majority of the loans and advances to customers measured at amortised cost are repriced at least annually to the market rate. Accordingly, their carrying values approximate to the fair values.

Financial assets measured at amortised cost

The following table shows the carrying values and the fair values of financial assets measured at amortised cost as at 31 December 2025 and 2024 which are not presented in the statement of financial position at their fair values.

	31 December 2025					31 December 2024				
	Carrying value	Fair value	Level 1	Level 2	Level 3	Carrying value	Fair value	Level 1	Level 2	Level 3
Financial assets measured at amortised cost	7,739,652	8,207,460	5,791	8,158,832	42,837	7,429,723	8,089,222	19,236	8,007,245	62,741
Total	7,739,652	8,207,460	5,791	8,158,832	42,837	7,429,723	8,089,222	19,236	8,007,245	62,741

(ii) Financial liabilities

The Group's financial liabilities not measured at fair value mainly include borrowings from central banks, deposits and placements from banks and non-bank financial institutions, financial assets sold under repurchase agreements, deposits from customers, and debt securities issued. As at 31 December 2025, the collective fair value of subordinated bonds, non-capital TLAC bonds and the eligible Tier 2 capital bonds was RMB725,160 million (as at 31 December 2024: RMB685,641 million) and the collective carrying value was RMB708,686 million (as at 31 December 2024: RMB663,503 million), and the carrying values of other financial liabilities approximated to their fair values as at the end of the reporting period. The Group uses observable inputs to measure the fair values of subordinated bonds, non-capital TLAC bonds and eligible Tier 2 capital bonds issued, and classified them as level 2 of the fair value hierarchy.

(6) Offsetting financial assets and financial liabilities

Certain financial assets and financial liabilities of the Group are subject to enforceable master netting arrangements or similar agreements. The agreement between the Group and the counterparty generally allows for net settlement of the relevant financial assets and financial liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and financial liabilities will be settled on a gross basis. However, each party to the master netting arrangements or similar agreements will have the option to settle all such amounts on a net basis in the event of default of the other party. These financial assets and financial liabilities of the Group are not offset.

In addition, financial assets and financial liabilities are offset against each other and reported as net amounts in the statement of financial position when certain agreements between the Group and its counterparties specify that both parties have a legally enforceable right to offset the recognised amounts and the transactions are intended to be settled on a net basis or by simultaneously realising the asset and settling the liability ("the offsetting criteria"). As at 31 December 2025, the amounts of financial assets and financial liabilities meeting the offsetting criteria are not material to the Group.



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62 Risk management (continued)**(7) Insurance risk**

The risk under an insurance contract is the possibility that the insured event occurs and the uncertainty in the resulting claim amount. By the very nature of an insurance contract, the risk is difficult to precisely predict or entails uncertainty. The principal risk that the Group faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance contract liabilities.

The Group manages the uncertainty of insurance risk through its underwriting strategy and policies to diversify underwriting risks, as well as adequate reinsurance arrangements, and enhanced underwriting control and claim control.

The Group makes related assumptions for insurance risks and recognises insurance contract liabilities. For long-term life insurance contracts and short-term life insurance contracts, the insurance risk may be aggravated by the difference between insurance risk assumptions and actual insurance risks, including assumptions on death events, relevant expenses, morbidity assumptions, the loss ratios assumptions and surrender rates assumptions, etc. For property and casualty insurance contracts, claims are often subject to factors such as natural disasters, catastrophes, and terrorist attacks. In addition, the insurance risk can also be affected by the policyholder's termination of the contract, reduction of premiums, and refusal to pay premiums, i.e., the insurance risk is affected by the actions and decisions of the policyholder.

(8) Capital management

The Bank has implemented comprehensive capital management, covering capital management policy design, capital projecting and planning, capital calculation, internal capital assessment, capital allocation, capital incentive, restriction and conduction, capital raising, monitoring and reporting, and applications of advanced approach of capital calculation in the management of the ordinary course of the business. General principles of capital management of the Bank are to continuously retain an adequate capital level, retain a certain margin of safety and a certain level of buffer based on that all regulatory requirements have been complied, and ensure that the capital can cover all kinds of risks adequately; exercise reasonable and effective capital allocation and strengthen capital restraint and incentive mechanism to support the strategic planning effectively and to restrict and conduct the business so as to increase the capital efficiency and return level continuously; consolidate capital strength, maintain relatively high capital quality, and reasonably apply a range of capital instruments to optimise capital structure based on the principle of leveraging both internal accumulation and external capital; continuously develop the advanced approach of capital management on the applications in the business management such as credit policies, credit approval and pricing.

Capital adequacy ratios are a reflection of the Group's ability to maintain a stable operation and resist adverse risks. In accordance with the NFA's *Rules on Capital Management of Commercial Banks* and relevant regulations, commercial banks should meet the minimum capital requirements from 1 January 2024. The Common Equity Tier 1 ratio should be at or above a minimum of 5%, Tier 1 ratio at or above a minimum of 6% and the Total capital ratio at or above a minimum of 8%. Besides, capital conservation buffer requirements, additional buffer requirements of Global and Domestic Systemically Important Banks should also be met. If a countercyclical buffer is required or the Pillar 2 capital requirement is raised by the regulator to a specific commercial bank, the minimum requirements should be met within the transitional period.

The Group timely monitors, analyses and reports capital adequacy ratios, assesses if the capital management objectives have been met and exercises effective management of capital adequacy ratios. The Group adopts various measures such as controlling asset growth, adjusting the structure of risk assets, increasing internal capital supply and raising capital through external channels, to ensure that the Common Equity Tier 1 ratio, Tier 1 ratio and Total capital ratio of the Group are in full compliance with regulatory requirements and meet internal management requirements. This helps to insulate against potential risks as well as support healthy business developments. The Group now fully complies with all regulatory requirements in this respect.

The Group's capital planning has taken the regulatory requirements, the Group's development strategy and risk appetite into consideration, and based on those factors the Group projects the capital usage and need.

The capital raising management of the Group involves reasonable utilisation of various capital instruments to ensure that both external regulatory and internal capital management objectives are met, taking into account capital planning and operating environment. This helps to optimise the Group's capital structure.

The Bank is required to calculate and disclose capital adequacy ratios in accordance with the *Rules on Capital Management of Commercial Banks*. Based on the scope of *Rules on Capital Management of Commercial Banks* as approved by regulators, the Bank measures: 1) credit risk exposure of eligible financial institutions and capital requirements for corporate credit risk exposure using preliminary internal rating approach; 2) capital requirements for retail credit risk exposure using internal rating approach; 3) credit risk that has not been covered by internal rating approach using weighted approach; 4) market risk capital requirements using standard approach; and 5) operational risk capital requirements using standard approach. The Group calculates capital adequacy ratios using both advanced approach and other approaches for capital measurement in accordance with regulatory requirements and is in compliance with relevant requirements for capital floors.



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62 Risk management (continued)**(8) Capital management** (continued)

The Group's capital adequacy ratios calculated in accordance with the *Rules on Capital Management of Commercial Banks* issued by the NFRA as at the end of the reporting period are as follows:

	Note	31 December 2025	31 December 2024
Common Equity Tier 1 ratio	(a)(b)	14.63%	14.48%
Tier 1 ratio	(a)(b)	15.47%	15.21%
Total capital ratio	(a)(b)	19.69%	19.69%
Common Equity Tier 1 capital: instruments and reserves			
– Qualifying common share capital and capital reserve		490,687	385,621
– Surplus reserve		434,687	402,196
– General reserve		586,449	534,151
– Retained earnings		1,929,943	1,782,502
– Accumulated other comprehensive income		26,669	65,136
– Non-controlling interest given recognition in Common Equity Tier 1 capital		4,271	3,703
Common Equity Tier 1 capital: regulatory adjustments			
– Goodwill (net of deferred tax liabilities)		2,061	2,170
– Other intangible assets (excluding land use rights) (net of deferred tax liabilities)		4,970	5,009
– Cash flow hedge reserves that relate to the hedging of items that are not fair valued on the balance sheet		823	581
Additional Tier 1 capital: instruments			
– Qualifying Additional Tier 1 instruments		199,977	159,977
– Non-controlling interest given recognition in Additional Tier 1 capital		142	139
Additional Tier 1 capital: regulatory adjustments			
– Significant investments in the Additional Tier 1 capital of financial institutions outside the regulatory scope of consolidation		1,188	1,241
Tier 2 capital: instruments and provisions			
– Qualifying Tier 2 instruments		638,904	594,092
– Non-controlling interest given recognition in Tier 2 capital		229	226
– Provisions in Tier 2		360,510	384,521
Common Equity Tier 1 capital	(c)	3,464,852	3,165,549
Tier 1 capital	(c)	3,663,783	3,324,424
Total capital	(c)	4,663,426	4,303,263
Risk-weighted assets	(d)	23,685,171	21,854,590

Notes:

- The Common Equity Tier 1 ratio is calculated by dividing the Common Equity Tier 1 Capital after deduction by risk-weighted assets. Tier 1 ratio is calculated by dividing the Tier 1 Capital after deduction by risk-weighted assets. Total capital ratio is calculated by dividing the Total capital after deduction by risk-weighted assets.
- The scope for calculating capital adequacy ratios of the Group includes all the domestic and overseas branches and subsidiaries in the financial sector (excluding insurance companies).
- Common Equity Tier 1 capital is calculated by netting off the corresponding deduction items from the Common Equity Tier 1 capital before regulatory adjustments. Tier 1 capital is calculated by netting off the corresponding deduction items from the Tier 1 capital before regulatory adjustments. Total capital is calculated by netting off the corresponding deduction items from the Total capital before regulatory adjustments.
- Risk-weighted assets after applying capital floor requirements and making necessary adjustments.



NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

63 Statement of financial position and statement of changes in equity of the Bank

	31 December 2025	31 December 2024
Assets:		
Cash and deposits with central banks	3,038,074	2,559,938
Deposits with banks and non-bank financial institutions	146,067	99,712
Precious metals	189,826	138,433
Placements with banks and non-bank financial institutions	923,962	742,239
Positive fair value of derivatives	46,766	108,425
Financial assets held under resale agreements	840,850	603,048
Loans and advances to customers	26,517,673	24,614,019
Financial investments		
Financial assets measured at fair value through profit or loss	566,403	329,665
Financial assets measured at amortised cost	7,671,704	7,360,794
Financial assets measured at fair value through other comprehensive income	3,985,259	2,405,518
Long-term equity investments	103,054	103,889
Investments in consolidated structured entities	30,186	15,186
Fixed assets	103,617	108,869
Construction in progress	5,752	3,742
Land use rights	11,036	11,552
Intangible assets	4,565	4,610
Deferred tax assets	135,806	114,859
Other assets	263,905	221,135
Total assets	44,584,505	39,545,633
	31 December 2025	31 December 2024
Liabilities:		
Borrowings from central banks	1,096,265	942,594
Deposits from banks and non-bank financial institutions	4,265,513	2,804,865
Placements from banks and non-bank financial institutions	423,839	362,665
Financial liabilities measured at fair value through profit or loss	299,023	223,201
Negative fair value of derivatives	87,305	95,543
Financial assets sold under repurchase agreements	1,447,531	716,186
Deposits from customers	30,467,754	28,355,703
Accrued staff costs	63,845	54,909
Taxes payable	28,690	38,951
Provisions	25,456	37,396
Debt securities issued	2,547,523	2,340,510
Deferred tax liabilities	193	173
Other liabilities	260,911	329,946
Total liabilities	41,013,848	36,302,642



NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

63 Statement of financial position and statement of changes in equity of the Bank (continued)

	31 December 2025	31 December 2024
Equity:		
Share capital	261,600	250,011
Other equity instruments		
Preference shares	59,977	59,977
Perpetual bonds	140,000	100,000
Capital reserve	228,179	134,802
Other comprehensive income	27,876	64,560
Surplus reserve	434,687	402,196
General reserve	573,292	522,757
Retained earnings	1,845,046	1,708,688
Total equity	3,570,657	3,242,991
Total liabilities and equity	44,584,505	39,545,633

Approved and authorised for issue by the Board of Directors on 27 March 2026.

Zhang Jinliang

Chairman and executive director

Zhang YiVice chairman, executive
director and president**Yin Pengfei**Person in charge of finance &
accounting department



NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

63 Statement of financial position and statement of changes in equity of the Bank (continued)

	Other equity instruments			Capital reserve	Other comprehensive income	Surplus reserve	General reserve	Retained earnings	Total equity
	Share capital	Preference shares	Perpetual bonds						
As at 1 January 2025	250,011	59,977	100,000	134,802	64,560	402,196	522,757	1,708,688	3,242,991
Movements during the year	11,589	-	40,000	93,377	(36,684)	32,491	50,535	136,358	327,666
(1) Total comprehensive income for the year	-	-	-	-	(36,684)	-	-	324,911	288,227
(2) Changes in share capital									
i Capital injection by shareholders	11,589	-	-	93,380	-	-	-	-	104,969
ii Capital injection by other equity instruments holders	-	-	40,000	(3)	-	-	-	-	39,997
(3) Profit distribution									
i Appropriation to surplus reserve	-	-	-	-	-	32,491	-	(32,491)	-
ii Appropriation to general reserve	-	-	-	-	-	-	50,535	(50,535)	-
iii Dividends to ordinary shareholders	-	-	-	-	-	-	-	(100,107)	(100,107)
iv Dividends to other equity instrument holders	-	-	-	-	-	-	-	(5,420)	(5,420)
As at 31 December 2025	261,600	59,977	140,000	228,179	27,876	434,687	573,292	1,845,046	3,570,657

	Other equity instruments			Capital reserve	Other comprehensive income	Surplus reserve	General reserve	Retained earnings	Total equity
	Share capital	Preference shares	Perpetual bonds						
As at 1 January 2024	250,011	59,977	139,991	134,813	31,314	369,906	484,917	1,612,281	3,083,210
Movements during the year	-	-	(39,991)	(11)	33,246	32,290	37,840	96,407	159,781
(1) Total comprehensive income for the year	-	-	-	-	33,246	-	-	322,901	356,147
(2) Changes in share capital									
i Capital deduction by other equity instruments holders	-	-	(39,991)	(11)	-	-	-	-	(40,002)
(3) Profit distribution									
i Appropriation to surplus reserve	-	-	-	-	-	32,290	-	(32,290)	-
ii Appropriation to general reserve	-	-	-	-	-	-	37,840	(37,840)	-
iii Dividends to ordinary shareholders	-	-	-	-	-	-	-	(149,256)	(149,256)
iv Dividends to other equity instrument holders	-	-	-	-	-	-	-	(7,108)	(7,108)
As at 31 December 2024	250,011	59,977	100,000	134,802	64,560	402,196	522,757	1,708,688	3,242,991

64 Events after the reporting period

On 1 February 2026, the Group exercised the option to redeem all RMB6.00 billion capital replenishment bonds it issued in the domestic market on 28 January 2021 with an initial coupon rate of 4.30%.

65 Comparative figures

The Group has adjusted the presentation of comparative figures related to warehouse receipt transactions to stay consistent with requirements for presentation and disclosures of financial statements for the current period.



NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

66 Ultimate parent

As stated in Note 1, the immediate and ultimate parents of the Group are Huijin and CIC, respectively.

67 Possible impact of amendments, new standards and interpretations issued but not yet effective

Up to the date of issue of the financial statements, the IASB has issued the following amendments, new standards and interpretations which are relevant to the Group. These amendments, new standards and interpretations are not yet effective for the year ended 31 December 2025 and have not been adopted in the financial statements.

Standards	Effective for annual periods beginning on or after
(1) Amendments to IFRS 10 and IAS 28 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Effective date has been deferred indefinitely
(2) IFRS 18 <i>Presentation and Disclosure in Financial Statements (New)</i>	1 January 2027
(3) IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures (New)</i>	1 January 2027
(4) Amendments to IFRS 9 and IFRS 7 <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
(5) <i>Annual Improvements to IFRS Accounting Standards – Volume 11</i> Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	1 January 2026
(6) Amendments to IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
(7) Amendments to IAS 21 <i>Translation to a Hyperinflationary Presentation Currency</i>	1 January 2027

The Group anticipates that the adoption of the new standards and amendments will not have a significant impact on the Group's consolidated financial statements.

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

The narrow-scope amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a "business" (as defined in IFRS 3 *"Business Combinations"*).

Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associate or joint venture. The amendments apply prospectively.

(2) IFRS 18 *Presentation and Disclosure in Financial Statements (New)*

The IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements*, replacing IAS 1 *Presentation of Financial Statements*. Compared with the current IAS 1, the new requirements in IFRS 18 mainly include: introducing three new categories for income and expenses – operating, investing and financing – to improve the structure of the income statement; requiring the disclosures of management-defined performance measures to improve the transparency of performance indicators defined by management; and strengthening information aggregation and disaggregation to further improve the usefulness of information in financial statements in decision-making.

(3) IFRS 19 *Subsidiaries without Public Accountability: Disclosures (New)*

The IASB issued IFRS 19 *Subsidiaries without Public Accountability: Disclosures*, which allows voluntary adoption by eligible subsidiaries to reduce the cost of preparing their own financial statements.

IFRS 19 is a disclosure-only standard which specifies reduced disclosure requirements that eligible subsidiaries are permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards (except in exceptional circumstances). However, such eligible subsidiaries should still apply the recognition, measurement and presentation requirements in other IFRS Accounting Standards.

IFRS 19 allows an eligible subsidiary to voluntarily apply or revoke its election to apply the standard. An entity may apply IFRS 19 more than once – for example, an entity that applied IFRS 19 in a prior period but not in the immediately preceding period may elect to apply IFRS 19 in the current period.



NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

67 Possible impact of amendments, new standards and interpretations issued but not yet effective
(continued)**(4) Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments***

The IASB issued Amendments to IFRS 9 and IFRS 7, which clarify:

- That a financial liability is derecognised on the “settlement date”, i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. The amendments also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before the settlement date if certain conditions are met.
- How to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (“ESG”)-linked features and other similar contingent features.
- The treatment of non-recourse assets and contractually linked instruments.

In addition, the amendments to IFRS 7 require additional disclosures for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income. The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. Entities can early adopt the amendments that relate to the classification of financial assets plus the related disclosures and apply the other amendments later. The new requirements will be applied retrospectively with an adjustment to opening retained earnings. Prior periods are not required to be restated and can only be restated without using hindsight. An entity is required to disclose information about financial assets that change their measurement category due to the amendments.

(5) *Annual Improvements to IFRS Accounting Standards – Volume 11 Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7*

The IASB has published the *Annual Improvements (Volume 11)*, making narrow-scope amendments to the requirements of *IFRS 1 First-time Adoption of International Financial Reporting Standards*, *IFRS 7 Financial Instruments: Disclosures*, *IFRS 9 Financial Instruments*, *IFRS 10 Consolidated Financial Statements* and *IAS 7 Statement of Cash Flows*. The amendments will become effective for annual periods beginning on or after 1 January 2026, with earlier application permitted.

(6) *Amendments to IFRS 19 *Subsidiaries without Public Accountability: Disclosures**

The IASB issued Amendments to IFRS 19 *Subsidiaries without Public Accountability: Disclosures*. The amendments reduce disclosure requirements for new and amended IFRS accounting standards issued between February 2021 and May 2024, which had previously been included in full in IFRS 19.

The main disclosure requirements which are now reduced include: (i) remove disclosure objectives from IFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to IFRS 18 for entities that use these measures.

(7) *Amendments to IAS 21 *Translation to a Hyperinflationary Presentation Currency**

The IASB issued Amendments to IAS 21 *Translation to a Hyperinflationary Presentation Currency*, which require translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate.

The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29 *Financial Reporting in Hyperinflationary Economies*, to the foreign operation’s comparative figures. The amendments introduce certain additional disclosures.

The amendments apply for annual periods beginning on or after 1 January 2027 and earlier application is permitted.



UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

The following information of the Group does not form part of the audited financial statements, and is included herein for information purposes only.

1 Difference between the financial statements prepared under IFRS Accounting Standards and those prepared in accordance with PRC GAAP

China Construction Bank Corporation (the "Bank") prepares consolidated financial statements, which include the financial statements of the Bank and its subsidiaries (collectively the "Group"), in accordance with IFRS Accounting Standards and its interpretations promulgated by the International Accounting Standards Board and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

As a financial institution incorporated in the People's Republic of China (the "PRC") and listed on the Shanghai Stock Exchange, the Group also prepares its consolidated financial statements for the year ended 31 December 2025 in accordance with the Accounting Standards for Business Enterprises and other relevant regulations issued by the regulatory bodies of the PRC (collectively "PRC GAAP and regulations").

There is no difference in the net profit for the year ended 31 December 2025 or total equity as at 31 December 2025 between the Group's consolidated financial statements prepared under IFRS Accounting Standards and those prepared under PRC GAAP and regulations.

2 Currency concentrations

	31 December 2025			
	USD (RMB equivalent)	HKD (RMB equivalent)	Others (RMB equivalent)	Total
Spot assets	1,046,547	355,121	501,900	1,903,568
Spot liabilities	(1,047,201)	(607,080)	(325,064)	(1,979,345)
Forward purchases	3,388,012	544,604	354,980	4,287,596
Forward sales	(3,395,800)	(252,624)	(504,594)	(4,153,018)
Net option position	(4,132)	(6)	(207)	(4,345)
Net (short)/long position	(12,574)	40,015	27,015	54,456
Net structural position	57,175	2,126	578	59,879
	31 December 2024			
	USD (RMB equivalent)	HKD (RMB equivalent)	Others (RMB equivalent)	Total
Spot assets	964,301	315,444	411,909	1,691,654
Spot liabilities	(1,017,588)	(498,078)	(249,136)	(1,764,802)
Forward purchases	3,351,341	316,408	243,302	3,911,051
Forward sales	(3,276,346)	(91,062)	(367,232)	(3,734,640)
Net option position	(47,118)	–	(829)	(47,947)
Net (short)/long position	(25,410)	42,712	38,014	55,316
Net structural position	51,658	2,782	95	54,535

The net option position is calculated using the delta equivalent approach required by the Hong Kong Monetary Authority (the "HKMA"). The net structural position of the Group includes the structural positions of the Bank's overseas branches, banking subsidiaries and other subsidiaries substantially involved in the foreign exchange. Structural assets and liabilities include:

- investments in property and equipment, net of accumulated depreciation;
- capital and statutory reserves of overseas branches; and
- investments in overseas subsidiaries and related companies.



UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

3 International claims

The Group is principally engaged in business operations within the Chinese mainland. The international claims of the Group are the sum of cross-border claims in all currencies and local claims in foreign currencies.

International claims include loans and advances to customers, deposits with central banks, deposits and placements with banks and non-bank financial institutions, holdings of trade bills and certificates of deposit and investment securities.

International claims have been disclosed by country or geographical area. A country or geographical area is reported where it constitutes 10% or more of the aggregate amount of international claims, after taking into account any risk transfers. Risk transfers are only made if the Group reduces its exposure to a particular country/region by an effective transfer of credit risk to a different country/region with the use of credit risk mitigation which include guarantees, collateral and credit derivatives.

31 December 2025					
	Banks	Public sector entities	Non-bank private institutions	Others	Total
Asia Pacific	392,688	193,606	588,934	48,815	1,224,043
– of which attributed to Hong Kong	37,025	53,329	309,683	8,316	408,353
Europe	49,839	56,254	92,551	–	198,644
North and South America	26,445	227,759	78,193	–	332,397
Total	468,972	477,619	759,678	48,815	1,755,084

31 December 2024					
	Banks	Public sector entities	Non-bank private institutions	Others	Total
Asia Pacific	242,453	103,311	573,474	76,067	995,305
– of which attributed to Hong Kong	25,284	30,997	325,920	11,097	393,298
Europe	22,660	42,593	79,236	688	145,177
North and South America	18,834	179,348	64,601	129	262,912
Total	283,947	325,252	717,311	76,884	1,403,394



UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION

(EXPRESSED IN MILLIONS OF RMB, UNLESS OTHERWISE STATED)

4 Overdue loans and advances to customers by geographical sector

	31 December 2025	31 December 2024
Pearl River Delta	72,352	67,872
Bohai Rim	45,324	38,837
Central	44,392	43,176
Western	40,116	36,658
Yangtze River Delta	37,395	31,283
Head office	16,785	17,595
North-eastern	13,755	14,093
Overseas	6,623	7,073
Total	276,742	256,587

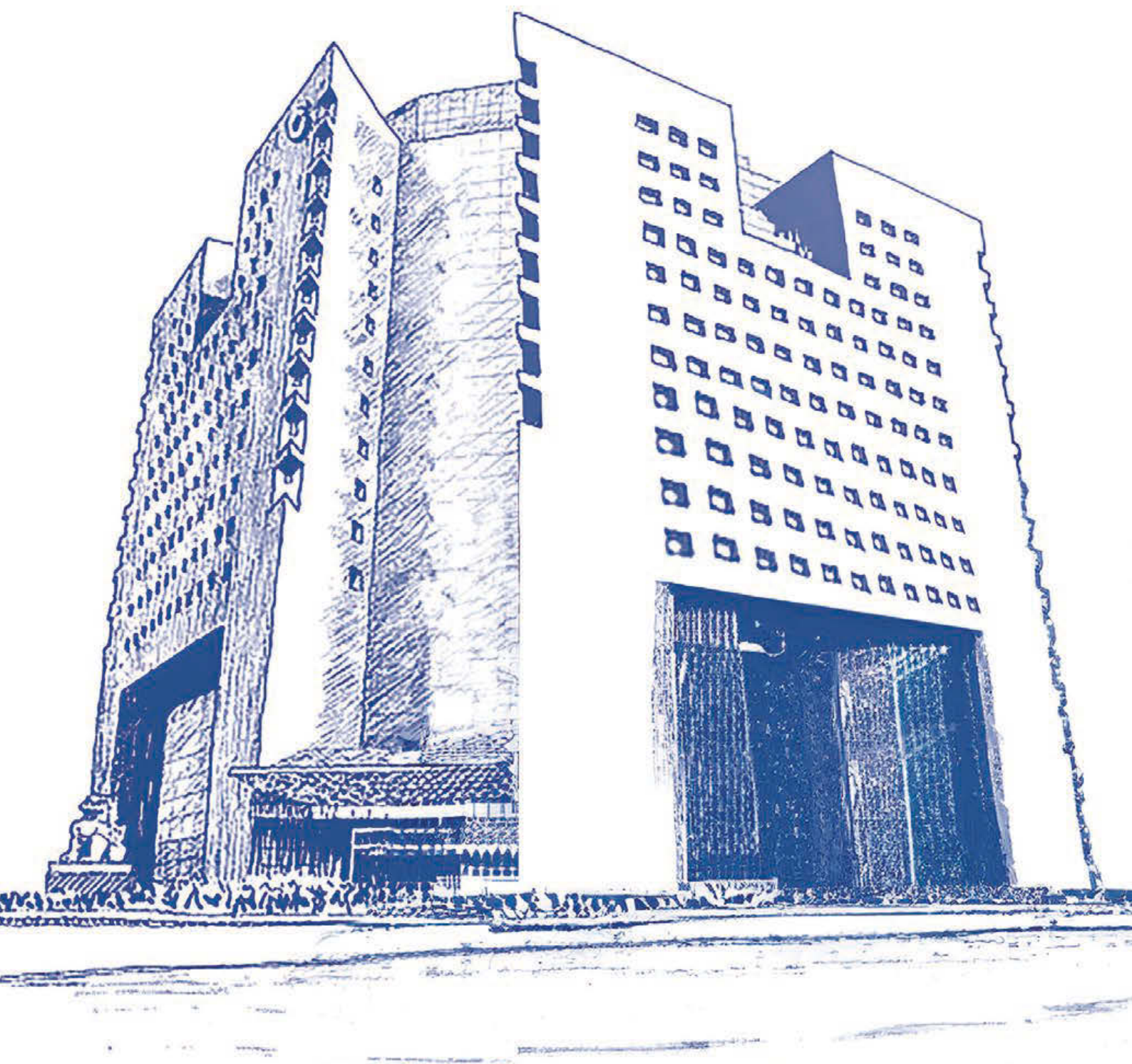
According to regulatory requirements, the above analysis represents the gross amount of loans and advances to customers overdue for more than three months.

Loans and advances to customers with a specific repayment date are classified as overdue when the principal or interest is overdue.

Loans and advances to customers repayable on demand are classified as overdue when a demand for repayment has been served on the borrower but repayment has not been made in accordance with the instructions. If the loans and advances to customers repayable on demand are outside the approved limit that was advised to the borrower, they are also considered to be overdue.

5 Exposures to non-banks in the Chinese mainland

The Bank is a commercial bank incorporated in the Chinese mainland with its banking business primarily conducted in the Chinese mainland. As at 31 December 2025 substantial amounts of the Bank's exposures arose from businesses with the Chinese mainland entities or individuals. Analyses of various types of exposures by counterparty have been disclosed in the respective notes to the financial statements.





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

Stock Code :
00939 (Ordinary H-Share)
601939 (Ordinary A-Share) 360030 (Domestic Preference Share)

