中信銀行股份有限公司

China CITIC Bank Corporation Limited

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

(Stock Code: 998)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board of directors (the "**Board of Directors**") of China CITIC Bank Corporation Limited (the "**Bank**") is pleased to announce the interim results of the Bank and its subsidiaries (the "**Group**") for the six months ended 30 June 2026. This interim results announcement contains the interim report of the Bank for the six months ended 30 June 2026, the contents of which were prepared in accordance with the applicable disclosure requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**"). The interim financial information of the Group for the six months ended 30 June 2026 has been reviewed by KPMG in accordance with Hong Kong Review Standard. The interim results have also been reviewed by the Audit Committee under the Board of Directors. This interim results announcement is published on the websites of the Bank (www.citicbank.com) and The Stock Exchange of Hong Kong Limited (www.hkexnews.hk). The interim report of the Bank for the six months ended 30 June 2026 will be published and will also be available at the above-mentioned websites in due course.

CLOSURE OF REGISTER OF MEMBERS

After being reviewed and adopted by the Board of Directors, the 2026 interim profit distribution plan is proposed to be submitted to an extraordinary shareholders' meeting for deliberation. The plan proposes to pay cash dividends of RMB2.03 per 10 shares (tax inclusive), and the total amount of the interim cash dividends for ordinary shares for 2026 is RMB11,295,967,939.59 (tax inclusive) with reference to the total number of 55,645,162,264 A shares and H shares on the register as at 30 June 2026.

If the Bank's proposal for 2026 interim dividend distribution is approved by the shareholders at forthcoming extraordinary shareholders' meeting, the 2026 interim dividends will be distributed by the receiving agent engaged by the Bank in Hong Kong for payment of the H-shares dividends to the H shareholders of the Bank as shown on the Bank's register of members on Monday, 9 November 2026. The Bank's register of members will be closed from Wednesday, 4 November 2026 to Monday, 9 November 2026 (both dates inclusive). In order to qualify for receiving the 2026 interim dividends proposed by the Bank, which is subject to the shareholders' approval at the extraordinary shareholders' meeting, holders of H shares of the Bank should ensure that all share transfer documents together with the relevant share certificates must be lodged with the Bank's H share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Tuesday, 3 November 2026. The Bank plans to distribute the 2026 interim dividends to H shareholders on Tuesday, 22 December 2026. If there is any change to the expected dividend distribution date, the Bank will publish an announcement regarding such changes.

By Order of the Board of Directors
China CITIC Bank Corporation Limited
Fang Heying
Chairman

Beijing, the PRC
26 August 2026

As at the date of this announcement, the executive directors of the Bank are Mr. Fang Heying (Chairman), Mr. Lyu Tiangui (President) and Mr. Hu Gang; the non-executive directors are Mr. Wei Qiang, Mr. Wang Yankang and Mr. Fu Yamin; and the independent non-executive directors are Mr. Liu Tsz Bun Bennett, Mr. Zhou Bowen, Mr. Wang Huacheng and Ms. Song Fangxiu.

IMPORTANT NOTICE

The Board of Directors, directors and senior management of the Bank guarantee that the information contained in the 2026 Interim Report does not include any false records, misleading statements or material omissions, and assume several and joint liabilities for its truthfulness, accuracy and completeness.

The Board of Directors of the Bank adopted the Bank's 2026 Interim Report and its summary on 26 August 2026. Ten of the ten directors attended the meeting. The senior management of the Bank attended the meeting as non-voting delegates.

The 2026 interim financial reports prepared by the Bank in accordance with the PRC Accounting Standards and International Financial Reporting Standards (IFRS) Accounting Standards were reviewed respectively by KPMG Huazhen LLP and KPMG in accordance with review standards of the Chinese mainland and the Hong Kong SAR, respectively.

Mr. Fang Heying as Chairman and executive director of the Bank, Mr. Lyu Tiangui as executive director, President (the person in charge of finance and accounting work), and Chief Compliance Officer, and Mr. Kang Chao, as the head of the Finance and Accounting Department of the Bank, hereby declare and guarantee the truthfulness, accuracy and completeness of the financial report contained in the Bank's 2026 Interim Report.

Interim Profit Distribution Plan: The Chapter 3 "Corporate Governance, Environment and Society – Interim Profit Distribution for 2026" disclosed the Interim Profit Distribution Plan for 2026 as reviewed and approved by the Board of Directors and to be submitted to an extraordinary shareholders' meeting for deliberation. The plan proposes to pay a cash dividend of RMB2.03 per 10 shares (tax inclusive). In the first half of 2026, the Bank did not convert capital reserve to share capital.

Cautionary note on forward-looking statements: Forward-looking statements such as future plans and development strategies contained in this report do not constitute substantive commitments of the Bank to its investors. Investors and relevant persons are kindly reminded to remain fully aware of the associated risks and understand the differences between plans, forecasts and commitments.

Material risk reminder: During the reporting period, the Bank was not aware of any material risk that would adversely affect its future development strategies and business targets. The Bank has disclosed in this report the major risks that it was and may be exposed to in its operation and management and its countermeasures thereof. For relevant information, please refer to related parts in Chapter 2 "Management Discussion and Analysis" of this report.

For the purpose of this report, numbers are expressed in Renminbi (RMB) unless otherwise specified. This report is prepared in both Chinese and English. Shall there be discrepancy between the two versions, the Chinese version shall prevail.

CONTENTS

DEFINITIONS

Altyn Bank	JSC Altyn Bank
the reporting period	From 1 January 2026 to 30 June 2026
the Bank/China CITIC Bank/CITIC Bank/CNCB	China CITIC Bank Corporation Limited
the Group	China CITIC Bank Corporation Limited and its subsidiaries
Huarong Financial Leasing	China Huarong Financial Leasing Co., Ltd.
NFRA	National Financial Regulatory Administration
Lin'an CITIC Rural Bank	Zhejiang Lin'an CITIC Rural Bank Limited
Quzhou Development	Quzhou Xin'an Development Co., Ltd.
Quzhou Industrial Group	Quzhou Industrial Holding Group Co., Ltd.
SSE	Shanghai Stock Exchange
SEHK	The Stock Exchange of Hong Kong Limited
Hong Kong Listing Rules	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
CITIC Bank Financial Asset Investment	CITIC Bank Financial Asset Investment Co., Ltd.
CITIC Wealth Management	CITIC Wealth Management Corporation Limited
CNCB Investment	CNCB (Hong Kong) Investment Co., Ltd.
former CBIRC	former China Banking and Insurance Regulatory Commission
former CBRC	former China Banking Regulatory Commission
Yunnan Hongta Bank	Yunnan Hongta Bank Co., Ltd.
China Tobacco	China National Tobacco Corporation
CSRC	China Securities Regulatory Commission
CITIC aiBank	CITIC aiBank Corporation Limited

CITIC Limited	CITIC Limited
CIAM	CITIC International Assets Management Limited
CIFH	CITIC International Financial Holdings Limited
CITIC Financial Holdings	China CITIC Financial Holdings Co., Ltd.
CITIC Financial Leasing	CITIC Financial Leasing Co., Ltd.
CITIC Group	CITIC Group Corporation
CNCBI	CITIC Bank International Limited
CITIC Corporation Limited	CITIC Corporation Limited

(Note: The definitions are arranged in alphabetical order of Mandarin Pinyin)

CHAPTER 1 CORPORATE INTRODUCTION AND KEY FINANCIAL INDICATORS

1.1 Corporate Information

Registered Name in Chinese	中信銀行股份有限公司 (abbreviated as "中信銀行")
Registered Name in English	CHINA CITIC BANK CORPORATION LIMITED (abbreviated as "CNCB")
Legal Representative	Fang Heying
Authorized Representative	Fang Heying, Zhang Qing
Secretary to the Board of Directors	Fang Heying (performing the duties of Secretary to the Board of Directors on an acting basis)
Joint Company Secretaries	Zhang Qing, Yeung Siu Wai Kitty (ACG, HKACG)
Securities Representative of the Company	Wang Lei
Registered and Office Address[1]	6-30/F and 32-42/F, Building No. 1, 10 Guanghua Road, Chaoyang District, Beijing
Postal Code of the Registered and Office Address	100020
Official Website	www.citicbank.com
Telephone Number/Fax Number for Investors	+86-10-66638188/+86-10-65559255
Customer Service and Complaint Hotline	95558
Email Address for Investors	ir@citicbank.com
Principal Place of Business in Hong Kong	80/F, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong
Media for Information Disclosure	*China Securities Journal* (www.cs.com.cn) *Shanghai Securities News* (www.cnstock.com) *Securities Times* (www.stcn.com)

1 The registered address of the Bank was changed from "Building C of Fuhua Building, No. 8 Chaoyangmen Beidajie, Dongcheng District, Beijing" to "No. 9 Chaoyangmen Beidajie, Dongcheng District, Beijing" in 2015 and to "6-30/F and 32-42/F, Building No. 1, 10 Guanghua Road, Chaoyang District, Beijing" in 2020.

Websites for Information Disclosure	SSE website publishing A-share interim report: www.sse.com.cn SEHK website publishing H-share interim report: www.hkexnews.hk
Place Where Interim Reports Are Kept	Office of the Board of Directors of CITIC Bank, Building No. 1, 10 Guanghua Road, Chaoyang District, Beijing
Legal Adviser as to PRC Laws	King & Wood
Legal Adviser as to Hong Kong Laws	Clifford Chance LLP
Domestic Auditor	KPMG Huazhen LLP 8th Floor, Office Building Tower 2, Oriental Plaza East, No. 1 East Chang An Avenue, Beijing, China (Postal Code: 100738) Domestic Signing CPAs: Jin Naiwen and Ye Hongming
Overseas Auditor	KPMG 8th Floor, Prince's Building, No. 10 Chater Road, Central Hong Kong, China Overseas Signing CPA: Elise Wong (Wong Yuen Shan)
A-share Registrar	China Securities Depository and Clearing Corporation Limited Shanghai Branch 188 Yanggao South Road, Pudong New Area, Shanghai
H-share Registrar	Computershare Hong Kong Investor Services Limited 17/F, Shops 1712-1716, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

Listing Exchanges, Stock Name and Stock Code

A-share	Ordinary shares	Shanghai Stock Exchange	CNCB	601998
	Preference shares	Shanghai Stock Exchange	CITIC Excellent 1	360025
H-share	Ordinary shares	The Stock Exchange of Hong Kong Limited	CITIC Bank	0998

Credit Ratings	Standard & Poor's	Long-term issuer credit rating	A-
		Short-term rating	A-2
		Outlook	Stable
	Moody's	Deposit rating	Baa2/P-2
		Baseline credit assessment	ba2
		Outlook	Positive
	Fitch Ratings	Default rating	A-
		Viability rating	bb
		Outlook	Stable
	CCXI	Issuer rating	AAA
		Outlook	Stable
	Golden Credit Rating International	Issuer rating	AAA
		Outlook	Stable
	China Lianhe Credit Rating	Issuer rating	AAA
		Outlook	Stable

1.2 Contact Persons and Contact Details

Contact Information	Secretary to the Board of Directors	Securities Representative
Name	Fang Heying (performing the duties of Secretary to the Board of Directors on an acting basis)	Wang Lei
Address	Building No. 1, 10 Guanghua Road, Chaoyang District, Beijing	Building No. 1, 10 Guanghua Road, Chaoyang District, Beijing
Telephone	+86-10-66638188	+86-10-66638188
Fax	+86-10-65559255	+86-10-65559255
Email Address	ir@citicbank.com	ir@citicbank.com

1.3 Financial Highlights

1.3.1 Operating Performance

Unit: RMB million

Item	**Six months ended 30 June 2026**	Six months ended 30 June 2025	Growth rate *(%)*	Six months ended 30 June 2024
Operating income*(Note)*	**110,409**	105,833	4.32	108,640
Profit before tax	**46,879**	46,622	0.55	43,751
Net profit attributable to shareholders of the Bank	**37,602**	36,478	3.08	35,490
Net cash flow from/(used in) operating activities	**230,988**	28,651	706.21	(341,909)
Per share				
Basic earnings per share *(RMB/share)*	**0.63**	0.62	1.61	0.66
Diluted earnings per share *(RMB/share)*	**0.63**	0.61	3.28	0.64
Net cash flows from/(used in) operating activities per share *(RMB)*	**4.15**	0.51	713.73	(6.40)

Note: Starting from the 2025 annual report, the Group's operating lease costs are presented separately under other operating expenses. To maintain consistency in presentation, the comparative figures for operating income for the corresponding period of the previous year have been adjusted accordingly.

1.3.2 Profitability Indicators

Item	**Six months ended 30 June 2026**	Six months ended 30 June 2025	(Decrease)/ increase in percentage point	Six months ended 30 June 2024
Return on average assets (ROAA)(1)	**0.75%**	0.77%	(0.02)	0.79%
Return on average equity (ROAE, non-controlling interests not included)(2)	**9.65%**	9.86%	(0.21)	10.83%
Cost-to-income ratio (excluding tax and surcharges)(3)	**26.44%**	27.33%	(0.89)	27.46%
Credit cost(4)	**1.05%**	0.89%	0.16	1.09%
Net interest spread(5)	**1.60%**	1.60%	–	1.71%
Net interest margin(6)	**1.62%**	1.63%	(0.01)	1.77%

Notes: (1) Return on average assets (ROAA) = net profit (annualized)/the average of the balances of total assets at the beginning and end of the period.

(2) Return on average equity (ROAE) = net profit attributable to the ordinary shareholders of the Bank (annualized)/the average of total equity attributable to the ordinary shareholders of the Bank at the beginning and end of the period.

(3) Cost-to-income ratio = (operating expenses – tax and surcharges)/operating income.

(4) Credit cost = current-year accruals of allowance for impairment losses on loans and advances to customers (annualized)/ average balance of loans and advances to customers.

(5) Net interest spread = average yield of total interest-earning assets – average cost rate of total interest-bearing liabilities.

(6) Net interest margin = net interest income (annualized)/average balance of total interest-earning assets.

1.3.3 Scale Indicators

Unit: RMB million

Item	**30 June 2026**	31 December 2025	Growth rate *(%)*	31 December 2024
Total assets	**10,383,839**	10,131,028	2.50	9,532,722
Total loans and advances to customers[1]	**6,008,641**	5,862,172	2.50	5,720,128
– Corporate loans	**3,507,803**	3,293,205	6.52	2,908,117
– Discounted bills	**170,189**	202,169	(15.82)	449,901
– Personal loans	**2,330,649**	2,366,798	(1.53)	2,362,110
Total liabilities	**9,493,041**	9,283,398	2.26	8,725,357
Total deposits from customers[1]	**6,279,880**	6,049,275	3.81	5,778,231
– Corporate demand deposits[2]	**2,041,255**	2,069,377	(1.36)	2,054,271
– Corporate time deposits	**2,378,632**	2,185,649	8.83	2,062,315
– Personal demand deposits	**514,573**	473,380	8.70	439,965
– Personal time deposits	**1,345,420**	1,320,869	1.86	1,221,680
Deposits from banks and non-bank financial institutions	**1,226,651**	936,672	30.96	968,492
Placements from banks and non-bank financial institutions	**151,247**	159,013	(4.88)	88,550
Total equity attributable to shareholders of the Bank	**871,757**	828,813	5.18	789,264
Total equity attributable to ordinary shareholders of the Bank	**746,802**	723,865	3.17	684,316
Net asset per share attributable to ordinary shareholders of the Bank *(RMB)*	**13.42**	13.01	3.15	12.58

Notes: (1) As per the *Notice on Amending and Issuing the Formats of Financial Statements for Financial Enterprises for 2018* (Finance and Accounting [2018] No.36) issued by the Ministry of Finance (MOF), the interest of a financial instrument accrued according to the effective interest method should be included in the book balance of the corresponding financial instrument and reflected in relevant items of the balance sheet. The Group has prepared the financial statements according to the requirements in the above notice since 2018. For the convenience of analysis, "total loans and advances to customers" and "total deposits from customers" do not include relevant interest.

(2) Corporate demand deposits included demand deposits from corporate customers and outward remittance and remittance payables of corporate customers.

1.3.4 Asset Quality Indicators

Item	**30 June 2026**	31 December 2025	Increase/ (decrease) in percentage point	31 December 2024
NPL ratio[(1)]	**1.15%**	1.15%	–	1.16%
Allowance coverage ratio[(2)]	**203.12%**	203.61%	(0.49)	209.43%
The ratio of allowance for loan impairment losses to total loans[(3)]	**2.33%**	2.33%	–	2.43%

Notes: (1) NPL ratio = balance of non-performing loans (NPLs)/total loans and advances to customers.

(2) Allowance coverage ratio = balance of allowance for impairment losses on loans and advances to customers (excluding allowance for impairment losses on accrued interest)/balance of NPLs.

(3) The ratio of allowance for loan impairment losses to total loans = balance of allowance for impairment losses on loans and advances to customers (excluding allowance for impairment losses on accrued interest)/total loans and advances to customers.

1.3.5 Other Main Regulatory Indicators

Item*(Note)*	Regulatory value	**30 June 2026**	31 December 2025	Increase/ (decrease) in percentage point	31 December 2024
Capital adequacy profile					
Common equity tier 1 capital adequacy ratio	≥8.00%	**9.37%**	9.48%	(0.11)	9.72%
Tier 1 capital adequacy ratio	≥9.00%	**10.98%**	10.90%	0.08	11.26%
Capital adequacy ratio	≥11.00%	**12.81%**	12.80%	0.01	13.36%
Leverage profile					
Leverage ratio	≥4.25%	**7.01%**	7.09%	(0.08)	7.06%
Liquidity risk profile					
Liquidity coverage ratio	≥100%	**161.48%**	144.22%	17.26	218.13%
Liquidity ratio					
Including: Local and foreign currencies	≥25%	**67.33%**	67.01%	0.32	72.08%
Renminbi	≥25%	**67.10%**	68.47%	(1.37)	73.47%
Foreign currencies	≥25%	**72.09%**	62.28%	9.81	67.23%

Note: The figures in the table were calculated on a consolidated basis in accordance with the requirements of the NFRA.

1.3.6 Differences between Domestic and Overseas Accounting Standards

There is no difference between the net assets on 30 June 2026 and the net profit for the reporting period of the Group calculated according to the PRC Accounting Standards and those calculated according to the International Financial Reporting Standards (IFRS).

CHAPTER 2 MANAGEMENT DISCUSSION AND ANALYSIS

2.1 Industry Overview of the Company

Since the beginning of the year, despite a complex and turbulent external environment and the interplay of new developments and longstanding challenges at home, China has implemented more proactive and effective macroeconomic policies in a targeted manner, developed new quality productive forces in line with local conditions, and effectively responded to external shocks and challenges. The Chinese economy has withstood pressure and maintained overall stability while continuing to move toward innovation-driven and high-quality development, demonstrating strong resilience and vitality. In the first half of the year, China's GDP grew by 4.7% year on year, with value added in the primary, secondary and tertiary industries increasing by 3.7%, 3.9% and 5.2%, respectively.

The fiscal authorities implemented more proactive fiscal policies in a targeted and effective manner. The authorities accelerated budget allocation and ensured that funds were channeled more quickly to specific entities and projects; adopted multiple measures to expand domestic demand, coordinated the use of government bonds, fiscal interest subsidies and special funds to continuously promote investment expansion and consumption growth; strengthened efforts to safeguard and improve people's well-being by integrating investment in physical assets with investment in people, thereby ensuring that public services are inclusive, meet essential needs, and provide a safety net for people most in need, and improving people's sense of happiness and fulfillment; and enhanced fiscal support for local governments.

The People's Bank of China continued to implement a moderately accommodative monetary policy. By leveraging the combined effects of existing and incremental policies, the central bank created a sound monetary and financial environment to consolidate the stable and positive economic trend. From a quantitative perspective, the central bank comprehensively utilized various monetary policy tools to provide short-, medium- and long-term liquidity to the market and maintain ample liquidity in the banking system. Financial institutions were guided to fully meet the effective financing needs of the real economy, strengthen balanced credit allocation, and offer solid support for the real economy. From a pricing perspective, the central bank kept overall financing costs at a low level. The interest rates of structural monetary policy tools were lowered by 0.25 percentage points, the efforts to disclose the comprehensive financing costs of corporate loans continued to advance, and financing intermediary fees were reduced. The central bank gave better play to the role of the market interest rate pricing self-regulatory mechanism, maintained fair competition in the market, and enhanced banks' capabilities for independent and rational pricing. From a structural perspective, financial institutions were encouraged and guided to increase support for key areas. A series of structural monetary policy measures were introduced and implemented to expand the scale and scope of relevant tools and improve policy elements. A one-off credit repair policy was implemented in a prudent and orderly manner for eligible borrowers with overdue credit records to rebuild their credit efficiently and conveniently.

The regulatory authorities remained focused on the priorities of preventing risks, strengthening regulation, and promoting high-quality development to strengthen and improve modern financial regulation. The authorities prudently advanced the resolution of risks at local small and medium-sized financial institutions and resolutely prevented major risk events. The authorities further leveraged the role of the white list to ensure timely delivery of housing projects and accelerated the formulation of financing mechanisms aligned with the new model of real estate development. They actively supported the mitigation of local government debt risks and facilitated the transformation and exit of local government financing platforms. They closely guarded against risks arising from external shocks and continuously improved relevant contingency plans. Meanwhile, the regulators steadfastly advanced strict and robust regulation, rigorously controlled market access, strengthened regulatory accountability and improved the regulatory framework to enhance regulatory capabilities.

In the first half of 2026, the Chinese banking industry continued to enhance financial services, total assets maintained growth, credit asset quality remained generally stable, and overall risk absorption capacity remained sufficient. As at the end of the second quarter of 2026, China's financial institutions in the banking industry had total assets in domestic and foreign currencies of RMB498 trillion, representing a year-on-year increase of 6.6%. Commercial banks recorded cumulative net profit of RMB1.2 trillion in the first half of the year. Commercial banks (on a legal entity basis) reported NPLs of RMB3.7 trillion, with an NPL ratio of 1.52%. The allowance coverage ratio posted 202.87%, and the capital adequacy ratio of commercial banks (excluding foreign banks' branches in China) was 15.26%.

2.2 Main Business of the Company

Relying on CITIC Group's integrated strengths in finance and real economy, the Bank, with the vision to become a bank with "Four Features"[2] and one of the world's first-class banks, upholds honesty and trustworthiness, seeks gains through righteous approaches, exercises prudence and caution, upholds fundamental principles and breaks new ground, and complies with laws and regulations. Being customer-centric, the Bank works to create a distinctive and differentiated model for financial services. For government and institutional customers, corporate customers and inter-bank customers, the Bank offers integrated financial solutions in corporate banking business, investment banking business, international business, transaction banking business, custody business and financial markets business. For individual customers, the Bank provides diversified financial products and services related to wealth management, personal credit, credit cards, private banking, pension finance, going abroad finance, etc. As such, the Bank satisfies the needs of government and institutional, corporate, inter-bank and individual customers for comprehensive financial services on all fronts. For details about the Bank's business during the reporting period, please refer to the section of "Business Overview" in this chapter.

[2] "Four Features" refer to a responsible, valuable, unique and caring provider of the best comprehensive financial services.

2.3 Core Competitiveness Analysis

Standardized and efficient corporate governance. The Bank made great headway in building a modern enterprise with Chinese characteristics, and persisted in the "Two Consistencies"[3]. Through standardized, science-based and effective management, it constantly improved its corporate governance and business operation systems and mechanisms, and formed an organizational structure characterized by efficient management and professional division of duties. With reference to the theory and practice of modern bank development and considering the requirements for Party building, the Bank set up a science-based corporate governance framework comprised of the shareholders' meeting, the Board of Directors and the senior management, and integrated overall Party leadership into its corporate governance. According to the principle of separating the front, middle and back offices, the Bank established a matrix management model covering the Head Office departments and business lines as well as branches and sub-branches. The governing bodies of the Bank, such as the shareholders' meeting, the Board of Directors and the senior management, functioned according to rules and performed duties effectively.

Significant advantages in collaboration. Giving full play to CITIC Group's advantages of "all financial licenses and wide coverage of industries" and following the business philosophy of "One CITIC, One Customer", the Bank intensified innovation in collaboration models, consolidated and refined relevant practices into "CITIC's Top 10 Comprehensive Financial Models"[4] drove the in-depth integration of collaboration in business development and customer management, and continuously expanded the coordination ecosystems, thereby providing customers with one-stop, customized, multi-scenario and full-lifecycle professional comprehensive financial services, and enhancing the quality and efficiency of financial services for the real economy on all fronts.

Vigorous exploration and innovation. Innovation is deeply embedded in the Bank's DNA, and serves as an important driver of its development. The Bank has always carried forward the CITIC style of exploration and innovation. Closely following the trend of times, it further advanced the reform of operation system and mechanism, boosted innovation in products and services, accelerated digital and smart transformation and developed its own distinctive features in businesses such as wealth management, comprehensive financing, investment and trading, payment and settlement, cross-border services.

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3 "Two Consistencies" refer to adhering to the Party leadership over state-owned enterprises as a significant political principle and adhering to the establishment of a modern enterprise system as the direction of the reform of state-owned enterprises.

4 "CITIC Top 10 Comprehensive Financial Models" include the "CITIC United Fleet" customer acquisition model, the integrated solution model for revitalizing assets to resolve government debts, the enhanced bank-government cooperation model represented by the "Foreign Enterprises China Tour" program, the diversified and continuous comprehensive financing model for technology enterprises combining equity, loans, bonds and guarantees, the coordinated model for capital market business expansion, the collaborative risk mitigation model based on "AMC, trust and industry+", the joint product innovation and integrated service model, the empowerment model integrating "research, strategy and risk control", the domestic and overseas coordinated model for cross-border financial services supporting Chinese enterprises going global, and the collaborative service model for agency investment and trading in financial markets.

Effective risk prevention and control. The Bank continued to improve the risk management system in which risks can be effectively put under control and development can be effectively boosted, and enhanced the quality and efficiency of risk management. It strengthened comprehensive risk management, and effectively transmitted sound risk appetite. It pushed forward the combination of the Five Policies[5] in depth. Focusing on the key tasks of economic development and industrial upgrading during the 15th Five-Year Plan period, it strengthened industry research, adjusted credit policies in a timely manner, and guided targeted allocation and withdrawal of credit resources. With consistent efforts in controlling new risks and resolving existing ones, the Bank strengthened customer access and proactive post-lending and post-investment management, managed the asset quality in a forward-looking manner, resolved risk projects prudently, and enhanced the value contribution of recovery and disposal efforts. Meanwhile, the Bank advanced digital and intelligent risk control to elevate technology-driven safeguards and AI-powered control capabilities.

All-around empowerment by financial technology. Adhering to technology empowerment and innovation as a core driving force, the Bank comprehensively empowered business development and strove to be a top technology-driven bank. The Bank comprehensively enhanced the competitiveness of its products and services, and drove the digital and intelligent transformation of its management, business and operation models. A cloud-native technology and capability system was established, and innovative applications of technologies such as AI, big data, and blockchain were deeply integrated into all business areas. The Bank's overall financial technology empowerment capabilities were significantly strengthened, making it a key productive force and driving force for its development.

Corporate culture as a solid foundation for development. The Bank implemented the decisions and plans of the Party Central Committee. In line with the requirements of the initiative to establish and practice a correct understanding of governance performance, the Bank steadily advanced the integration of a financial culture with Chinese characteristics into its business operations. By carrying forward the spirit of its corporate culture through an integrated approach encompassing cultural learning, value enhancement, role modeling, and practical implementation, the Bank continuously strengthened a shared understanding among all employees of fostering and practicing a financial culture with Chinese characteristics. The values of "striving, responsibility, agility, collaboration, execution and pragmatism" have gradually been embedded into the behavioral standards of cadres and employees. Tangible results from leveraging culture to drive high-quality development have continued to emerge across operations, management practices, and business growth.

[5] "Five Policies" refer to industry research, credit policies, marketing guidelines, check and approval standards (guidelines), and evaluation and resource allocation.

Professional and brilliant talent team. The Bank firmly upheld the principle that "talent is the primary resource" and vigorously promoted a talent philosophy of "uniting those in progression, inspiring those of action, and empowering those with achievements". With a clear focus on competence and value contribution, the Bank improved its talent development mechanisms to continuously stimulate talent vitality and unlock talent potential. The Bank conducted regular talent reviews to gain a comprehensive understanding of its talent resources and developed targeted training programs to enhance the precision and effectiveness of talent development. It continued to advance the "Sailing a Hundred Ships" talent program, enabling outstanding professionals across various fields to emerge and excel. Closely aligned with the strategies for digital and intelligent transformation and international development, the Bank worked to build a well-structured and coordinated talent pipeline to support technology capabilities and international operations. With talent-driven development as a strategic priority, the Bank designed and formulated its talent development plan for the 15th Five-Year Plan period, providing strong talent support for the effective implementation of the "Five Priorities" in finance and its high-quality development.

Widespread recognition of Bank values. The Bank has always been committed to serving the CPC and national overall planning, put into practice the new development philosophy, and built a high-quality financial brand, so as to develop into a "value bank worthy of trust for the future". During the reporting period, the Bank further embodied the brand premise "the more we care, the more you gain" from multiple dimensions. Guided by brand communication, the Bank formulated brand-building plans and coordinated brand management at three levels across the board. With business communication as the pillar, the Bank carried out targeted media and publicity initiatives in key areas of strategic focus, promoting closer alignment between brand building and business development. Building on its routine communication, the Bank integrated its brand elements into campaigns around major festivals and important occasions. Through multi-channel engagement, the Bank enhanced the brand experience and fostered stronger public affinity with the brand. During the reporting period, the Bank ranked 18th in Brand Finance's "Top 500 Banking Brands" list and ranked 6th among Chinese banking institutions.

2.4 Overview of the Operating Results

During the reporting period, amid a complex and challenging external environment, the Group earnestly implemented the decisions and plans of the CPC Central Committee and the State Council, strictly adhered to regulatory requirements, proactively addressed risks and challenges, and spared no effort in seizing market opportunities. As a result, the Group achieved positive outcomes in operations and development and maintained an overall trend of balanced, steady and sustainable development and the momentum of continuous growth and improvement.

Growth momentum continued to strengthen and profitability grew steadily. During the reporting period, the Group recorded net profit attributable to shareholders of the Bank of RMB37.602 billion, representing a year-on-year increase of 3.08%. Operating income amounted to RMB110.409 billion, representing a year-on-year increase of 4.32%. Specifically, net interest income reached RMB73.149 billion, representing a year-on-year increase of 2.74%, while net non-interest income amounted to RMB37.260 billion, representing a year-on-year increase of 7.59%.

Asset quality remained stable, with sufficient risk absorption capacity. As at the end of the reporting period, the Group's balance of NPLs amounted to RMB68.946 billion, representing an increase of RMB1.730 billion, or 2.57%, from the end of the previous year. The NPL ratio was 1.15%, unchanged from the end of the previous year. The allowance coverage ratio was 203.12%, representing a decrease of 0.49 percentage points from the end of the previous year.

The Group achieved steady growth in business scale, with its business structure optimized continuously. As at the end of the reporting period, the Group's total assets amounted to RMB10,383.839 billion, representing an increase of 2.50% from the end of the previous year. Total loans and advances to customers reached RMB6,008.641 billion, representing an increase of 2.50% from the end of the previous year. Total deposits from customers were RMB6,279.880 billion, representing an increase of 3.81% from the end of the previous year. During the reporting period, loans extended by the Group to key areas of the real economy maintained overall steady growth, with the growth rate of loans in areas aligned with the "Five Priorities" in finance exceeding that of total loans.

2.5 Analysis of the Financial Statements

2.5.1 Income Statement Analysis

During the reporting period, the Group realized RMB37.602 billion net profit attributable to shareholders of the Bank, representing a year-on-year increase of 3.08%. The table below sets out the changes in the main items of the Group's income statement during the reporting period.

Unit: RMB million

Item	**Six months ended 30 June 2026**	Six months ended 30 June 2025	Increase/ (decrease)	Growth rate *(%)*
Operating income	**110,409**	105,833	4,576	4.32
– Net interest income	**73,149**	71,201	1,948	2.74
– Net non-interest income	**37,260**	34,632	2,628	7.59
Operating expenses	**(30,270)**	(30,035)	(235)	0.78
Credit and other asset impairment losses	**(33,464)**	(29,586)	(3,878)	13.11
Profit before tax	**46,879**	46,622	257	0.55
Income tax expense	**(8,700)**	(9,548)	848	(8.88)
Profit for the period	**38,179**	37,074	1,105	2.98
Including: Net profit attributable to shareholders of the Bank	**37,602**	36,478	1,124	3.08

2.5.1.1 Operating Income

During the reporting period, the Group recorded operating income of RMB110.409 billion, representing a year-on-year increase of 4.32%, of which net interest income accounted for 66.25%, representing a year-on-year decrease of 1.03 percentage points, and net non-interest income accounted for 33.75%, representing a year-on-year increase of 1.03 percentage points.

Unit: %

Item	**Six months ended 30 June 2026**	Six months ended 30 June 2025
Share of net interest income	**66.25**	67.28
Share of net non-interest income	**33.75**	32.72
Total	**100.00**	100.00

2.5.1.2 Net Interest Income

During the reporting period, the Group recorded RMB73.149 billion of net interest income, representing a year-on-year increase of RMB1.948 billion, or 2.74%. The table below sets out the average balances and average interest rates of the Group's interest-earning assets and interest-bearing liabilities, of which the average balances of assets and liabilities are average daily balances.

Unit: RMB million

Item	**Six months ended 30 June 2026**			Six months ended 30 June 2025		
	Average balance	**Interest**	**Average yield/cost rate** *(%)*	Average balance	Interest	Average yield/cost rate *(%)*
Interest-earning assets						
Loans and advances to customers	**5,927,293**	**100,107**	**3.41**	5,780,864	108,622	3.79
Financial investments[1]	**2,242,182**	**26,041**	**2.34**	2,041,633	26,478	2.62
Deposits with central banks	**333,239**	**2,567**	**1.55**	350,766	2,771	1.59
Deposits and placements with, and loans to banks and non-bank financial institutions	**520,644**	**4,943**	**1.91**	558,553	6,642	2.40
Financial assets held under resale agreements	**100,376**	**690**	**1.39**	68,841	609	1.78
Subtotal	**9,123,734**	**134,348**	**2.97**	8,800,657	145,122	3.33
Interest-bearing liabilities						
Deposits from customers	**6,021,154**	**36,973**	**1.24**	5,890,824	48,244	1.65
Deposits and placements from banks and non-bank financial institutions	**1,324,701**	**9,488**	**1.44**	944,574	7,800	1.67
Debt securities issued	**1,086,668**	**9,737**	**1.81**	1,327,242	13,597	2.07
Borrowings from central banks	**224,559**	**1,799**	**1.62**	110,138	1,104	2.02
Financial assets sold under repurchase agreements	**325,773**	**2,980**	**1.84**	309,732	2,935	1.91
Others	**32,104**	**222**	**1.39**	13,586	241	3.58
Subtotal	**9,014,959**	**61,199**	**1.37**	8,596,096	73,921	1.73
Net interest income		**73,149**			71,201	
Net interest spread[2]			**1.60**			1.60
Net interest margin[3]			**1.62**			1.63

Notes: (1) Financial investments are mainly financial investments measured at amortized cost and financial investments measured at fair value through other comprehensive income.

(2) Net interest spread = average yield of total interest-earning assets – average cost rate of total interest-bearing liabilities.

(3) Net interest margin = net interest income (annualized)/average balance of total interest-earning assets.

The table below sets out the changes in the Group's net interest income resulting from changes in the scale and interest rate factors:

Unit: RMB million

Item	Comparison between six months ended 30 June 2026 and six months ended 30 June 2025		
	Scale factor	**Interest rate factor**	**Total**
Assets			
Loans and advances to customers	**2,752**	**(11,267)**	**(8,515)**
Financial investments	**2,606**	**(3,043)**	**(437)**
Deposits with central banks	**(138)**	**(66)**	**(204)**
Deposits and placements with, and loans to banks and non-bank financial institutions	**(451)**	**(1,248)**	**(1,699)**
Financial assets held under resale agreements	**278**	**(197)**	**81**
Changes in interest income	**5,047**	**(15,821)**	**(10,774)**
Liabilities			
Deposits from customers	**1,066**	**(12,337)**	**(11,271)**
Deposits and placements from banks and non-bank financial institutions	**3,148**	**(1,460)**	**1,688**
Debt securities issued	**(2,469)**	**(1,391)**	**(3,860)**
Borrowings from central banks	**1,146**	**(451)**	**695**
Financial assets sold under repurchase agreements	**152**	**(107)**	**45**
Others	**329**	**(348)**	**(19)**
Changes in interest expense	**3,372**	**(16,094)**	**(12,722)**
Changes in net interest income	**1,675**	**273**	**1,948**

Net Interest Margin and Net Interest Spread

During the reporting period, the Group's net interest margin registered 1.62%, representing a year-on-year decrease of 1BP. The Group's net interest spread was 1.60%, unchanged from the same period of previous year. The Group's yield on interest-earning assets was 2.97%, representing a year-on-year decrease of 0.36 percentage points, while the cost rate of interest-bearing liabilities was 1.37%, representing a year-on-year decrease of 0.36 percentage points. During the reporting period, in response to continued pressure on interest margins across the industry, the Group maintained a balance between volume and pricing and coordinated efforts on both asset and liability sides. Significant progress was made in reducing the cost of liabilities, while the asset structure continued to be optimized. The Group maintained reasonable growth in scale, stabilized its net interest margin, and further enhanced its competitive advantages.

2.5.1.3 *Interest Income*

During the reporting period, the Group recorded interest income of RMB134.348 billion, representing a year-on-year decrease of RMB10.774 billion, or 7.42%, mainly due to the decline in the yield on interest-earning assets. 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, and loans to banks and non-bank financial institutions, and interest income from financial assets held under resale agreements accounted for 74.51%, 19.38%, 1.91%, 3.68% and 0.52%, respectively. Interest income from loans and advances to customers was the principal component of interest income.

Interest Income from Loans and Advances to Customers

During the reporting period, the Group recorded RMB100.107 billion interest income from loans and advances to customers, a year-on-year decline of RMB8.515 billion, or 7.84%, primarily because the average yield on loans and advances to customers decreased by 0.38 percentage points, which offset the effects from an increase of RMB146.429 billion in the average balance. Specifically, the average balance of corporate loans increased by RMB303.317 billion, and interest income decreased by RMB1.964 billion; the average balance of personal loans decreased by RMB2.818 billion, and interest income decreased by RMB5.553 billion.

Classification by Maturity Structure

Unit: RMB million

	Six months ended 30 June 2026			Six months ended 30 June 2025		
Item	**Average balance**	**Interest income**	**Average yield *(%)***	Average balance	Interest income	Average yield *(%)*
Short-term loans	**1,802,798**	**35,435**	**3.96**	1,795,271	38,274	4.30
Medium to long-term loans	**4,124,495**	**64,672**	**3.16**	3,985,593	70,348	3.56
Total	**5,927,293**	**100,107**	**3.41**	5,780,864	108,622	3.79

Classification by Business

Unit: RMB million

	Six months ended 30 June 2026			Six months ended 30 June 2025		
Item	**Average balance**	**Interest income**	**Average yield *(%)***	Average balance	Interest income	Average yield *(%)*
Corporate loans	**3,443,484**	**54,862**	**3.21**	3,140,167	56,826	3.65
Personal loans	**2,326,628**	**44,453**	**3.85**	2,329,446	50,006	4.33
Discounted bills	**157,181**	**792**	**1.02**	311,251	1,790	1.16
Total	**5,927,293**	**100,107**	**3.41**	5,780,864	108,622	3.79

Interest Income from Financial Investments

During the reporting period, the Group's interest income from financial investments amounted to RMB26.041 billion, a year-on-year decrease of RMB437 million, or 1.65%, mainly attributable to a decrease of 0.28 percentage points in the average yield on financial investments, which offset the effects from an increase of RMB200.549 billion in the average balance.

Interest Income from Deposits with Central Banks

During the reporting period, the Group's interest income from deposits with central banks stood at RMB2.567 billion, a year-on-year decrease of RMB204 million, or 7.36%, mainly due to a decrease in the average balance of deposits with central banks.

Interest Income from Deposits and Placements with, and Loans to Banks and Non-bank Financial Institutions

During the reporting period, the Group's interest income from deposits and placements with, and loans to banks and non-bank financial institutions was RMB4.943 billion, a year-on-year decrease of RMB1.699 billion, or 25.58%, mainly due to a decrease of 0.49 percentage points in the average yield as well as a decrease of RMB37.909 billion in the average balance of deposits and placements with, and loans to banks and non-bank financial institutions.

Interest Income from Financial Assets Held under Resale Agreements

During the reporting period, the Group recorded RMB690 million interest income from financial assets held under resale agreements, a year-on-year increase of RMB81 million, or 13.30%, mainly due to an increase of RMB31.535 billion in the average balance of financial assets held under resale agreements, which offset the effects from a decrease of 0.39 percentage points in the average yield.

2.5.1.4 Interest Expense

During the reporting period, the Group's interest expense was RMB61.199 billion, a year-on-year decrease of RMB12.722 billion, or 17.21%. Interest expense decreased primarily because of a drop in the cost rate of interest-bearing liabilities.

Interest Expense on Deposits from Customers

During the reporting period, the Group's interest expense on deposits from customers was RMB36.973 billion, a year-on-year decrease of RMB11.271 billion, or 23.36%, mainly due to a decrease of 0.41 percentage points in the average cost rate of deposits from customers, which offset the effects from an increase of RMB130.330 billion in the average balance.

Unit: RMB million

Item	Six months ended 30 June 2026 Average balance	Interest expense	Average cost rate (%)	Six months ended 30 June 2025 Average balance	Interest expense	Average cost rate (%)
Corporate deposits						
Time deposits	**2,350,190**	**20,307**	**1.74**	2,242,296	25,142	2.26
Demand deposits	**1,866,965**	**3,409**	**0.37**	1,934,339	6,533	0.68
Subtotal	**4,217,155**	**23,716**	**1.13**	4,176,635	31,675	1.53
Personal deposits						
Time deposits	**1,330,519**	**13,095**	**1.98**	1,272,274	16,260	2.58
Demand deposits	**473,480**	**162**	**0.07**	441,915	309	0.14
Subtotal	**1,803,999**	**13,257**	**1.48**	1,714,189	16,569	1.95
Total	**6,021,154**	**36,973**	**1.24**	5,890,824	48,244	1.65

Interest Expense on Deposits and Placements from Banks and Non-Bank Financial Institutions

During the reporting period, the Group's interest expense on deposits and placements from banks and non-bank financial institutions amounted to RMB9.488 billion, a year-on-year increase of RMB1.688 billion, or 21.64%, mainly due to an increase of RMB380.127 billion in the average balance of deposits and placements from banks and non-bank financial institutions, which offset the effects from a decrease of 0.23 percentage points in the average cost rate.

Interest Expense on Debt Securities Issued

During the reporting period, the Group's interest expense on debt securities issued stood at RMB9.737 billion, a year-on-year decrease of RMB3.860 billion, or 28.39%, mainly attributable to a decrease of RMB240.574 billion in the average balance of debt securities issued and a decrease of 0.26 percentage points in the average cost rate.

Interest Expense on Borrowings from Central Banks

During the reporting period, the Group's interest expense on borrowings from central banks reached RMB1.799 billion, a year-on-year increase of RMB695 million, or 62.95%, mainly due to an increase of RMB114.421 billion in the average balance of borrowings from central banks, which offset the effects from a decrease of 0.40 percentage points in the average cost rate.

Interest Expense on Financial Assets Sold under Repurchase Agreements

During the reporting period, the Group's interest expense on financial assets sold under repurchase agreements was RMB2.980 billion, a year-on-year increase of RMB45 million, or 1.53%, mainly due to an increase of RMB16.041 billion in the average balance of financial assets sold under repurchase agreements, which offset the effects from a decrease of 0.07 percentage points in the average cost rate.

Other Interest Expenses

During the reporting period, the Group's other interest expenses stood at RMB222 million, a year-on-year decrease of RMB19 million.

2.5.1.5 Net Non-interest Income

During the reporting period, the Group realized RMB37.260 billion of net non-interest income, a year-on-year increase of RMB2.628 billion, or 7.59%. The proportion of net non-interest income stood at 33.75%, a year-on-year increase of 1.03 percentage points.

Unit: RMB million

Item	**Six months ended 30 June 2026**	Six months ended 30 June 2025	Increase/ (decrease)	Growth *(%)*
Net fee and commission income	**17,230**	16,824	406	2.41
Net trading gain	**2,715**	3,604	(889)	(24.67)
Net gain from investment securities	**13,140**	12,918	222	1.72
Net hedging (loss)/gain	**(49)**	2	(51)	(2,550.00)
Other net operating income	**4,224**	1,284	2,940	228.97
Total	**37,260**	34,632	2,628	7.59

2.5.1.6 Net Fee and Commission Income

During the reporting period, the Group realized net fee and commission income of RMB17.230 billion, a year-on-year increase of RMB406 million, or 2.41%, which accounted for 15.61% of the operating income, a decrease of 0.29 percentage points year on year. Among these, agency fees increased by RMB980 million, or 31.66%, year on year; custodian and other fiduciary business fees increased by RMB110 million, or 5.76%, year on year; settlement and clearing fees decreased by RMB131 million, or 8.67%, year on year; wealth management business fees decreased by RMB190 million, or 5.94%, year on year; guarantee and consulting fees decreased by RMB313 million, or 11.23%, year on year; and bank card fees decreased by RMB546 million, or 7.83%, year on year. Please refer to "Net Non-interest Income" in this chapter for analysis of reasons for changes in net fee and commission income.

Unit: RMB million

Item	Six months ended 30 June 2026	Six months ended 30 June 2025	Increase/ (decrease)	Growth (%)
Bank card fees	**6,427**	6,973	**(546)**	(7.83)
Wealth management business fees	**3,011**	3,201	**(190)**	(5.94)
Custodian and other fiduciary business fees	**2,019**	1,909	**110**	5.76
Agency fees	**4,075**	3,095	**980**	31.66
Guarantee and consulting fees	**2,473**	2,786	**(313)**	(11.23)
Settlement and clearing fees	**1,380**	1,511	**(131)**	(8.67)
Other fees	**161**	88	**73**	82.95
Subtotal of fee and commission income	**19,546**	19,563	**(17)**	(0.09)
Fee and commission expenses	**(2,316)**	(2,739)	**423**	(15.44)
Net fee and commission income	**17,230**	16,824	**406**	2.41

2.5.1.7 Net Trading Gain and Net Gain from Investment Securities

During the reporting period, the Group's net trading gain and net gain from investment securities registered a combined amount of RMB15.855 billion, a year-on-year decline of RMB667 million, or 4.04%, mainly because the decline in the net trading gain from foreign exchanges and derivative financial instruments.

2.5.1.8 Operating Expenses

During the reporting period, the Group incurred RMB30.270 billion in operating expenses, an increase of RMB235 million, or 0.78%. During the reporting period, the cost-to-income ratio (after deducting tax and surcharges) of the Group stood at 26.44%, a decrease of 0.89 percentage points year on year.

Unit: RMB million

Item	Six months ended 30 June 2026	Six months ended 30 June 2025	Increase/ (decrease)	Growth rate *(%)*
Staff costs	**16,829**	16,820	9	0.05
Property and equipment expenses and amortization	**5,033**	5,474	(441)	(8.06)
Other general operating and administrative expenses	**7,331**	6,625	706	10.66
Subtotal	**29,193**	28,919	274	0.95
Tax and surcharges	**1,077**	1,116	(39)	(3.49)
Total	**30,270**	30,035	235	0.78
Cost-to-income ratio	**27.42%**	28.38%	A decrease of 0.96 percentage points	
Cost-to-income ratio (excluding taxes and surcharges)	**26.44%**	27.33%	A decrease of 0.89 percentage points	

2.5.1.9 *Credit and Other Asset Impairment Losses*

During the reporting period, the Group's credit and other asset impairment losses totaled RMB33.464 billion, a year-on-year increase of RMB3.878 billion, or 13.11%. Specifically, the Group recognized impairment losses on loans and advances to customers of RMB30.940 billion, a year-on-year increase of RMB5.474 billion, or 21.50%; it recognized impairment losses for financial investments of RMB598 million, an increase of RMB679 million year on year. Please refer to the section of "Loan Quality Analysis" of this chapter for analysis of the Group's allowance for impairment losses on loans and advances to customers.

Unit: RMB million

Item	**Six months ended 30 June 2026**	Six months ended 30 June 2025	Increase/ (decrease)	Growth rate *(%)*
Loans and advances to customers	**30,940**	25,466	5,474	21.50
Financial investments	**598**	(81)	679	Negative in the same period of previous
Interbank business[(note)]	**(36)**	59	(95)	(161.02)
Other financial assets and accrued interest	**3,196**	3,433	(237)	(6.90)
Off-balance-sheet items	**(1,233)**	693	(1,926)	(277.92)
Repossessed assets	**(1)**	16	(17)	(106.25)
Total	**33,464**	29,586	3,878	13.11

Note: Including the impairment losses on deposits and placements with, and loans to banks and non-bank financial institutions, and financial assets held under resale agreements.

2.5.1.10 *Income Tax Expense*

During the reporting period, the Group's income tax expense was RMB8.700 billion, a year-on-year decrease of RMB848 million, or 8.88%. The effective tax rate during the reporting period stood at 18.56%, a decrease of 1.92 percentage points year on year.

Unit: RMB million

Item	**Six months ended 30 June 2026**	Six months ended 30 June 2025	Increase/ (decrease)	Growth rate *(%)*
Profit before tax	**46,879**	46,622	257	0.55
Income tax expense	**8,700**	9,548	(848)	(8.88)
Effective tax rate	**18.56%**	20.48%	A decrease of 1.92 percentage points	

2.5.2 Balance Sheet Analysis

2.5.2.1 Assets

As at the end of the reporting period, the Group recorded total assets of RMB10,383.839 billion, an increase of 2.50% from the end of the previous year, mainly because the Group increased its loans and advances to customers, cash and deposits with central banks and financial investments.

Unit: RMB million

Item	**30 June 2026** Balance	**30 June 2026** Proportion (%)	31 December 2025 Balance	31 December 2025 Proportion (%)
Total loans and advances to customers	**6,008,641**	**57.9**	5,862,172	57.9
Accrued interest on loans and advances to customers	**23,860**	**0.2**	23,887	0.2
Less: Allowance for impairment losses on loans and advances to customers(1)	**(142,151)**	**(1.4)**	(139,188)	(1.4)
Net loans and advances to customers	**5,890,350**	**56.7**	5,746,871	56.7
Total financial investments	**3,024,369**	**29.1**	2,932,216	28.9
Accrued interest on financial investments	**20,022**	**0.2**	19,573	0.2
Less: Allowance for impairment losses on financial investments(2)	**(25,901)**	**(0.2)**	(24,964)	(0.2)
Net financial investments	**3,018,490**	**29.1**	2,926,825	28.9
Investments in associates and joint ventures	**11,024**	**0.1**	8,787	0.1
Cash and deposits with central banks	**523,466**	**5.0**	386,916	3.8
Deposits and placements with, and loans to banks and non-bank financial institutions	**503,270**	**4.9**	587,295	5.8
Financial assets held under resale agreements	**113,370**	**1.1**	169,640	1.7
Others(3)	**323,869**	**3.1**	304,694	3.0
Total	**10,383,839**	**100.0**	10,131,028	100.0

Notes: (1) Including allowances for impairment losses on loans and advances to customers measured at amortized cost and allowances for impairment losses on accrued interest on loans and advances to customers measured at amortized cost.

(2) Including allowances for impairment losses on financial investments measured at amortized cost and allowances for impairment losses on accrued interest on financial investments measured at amortized cost.

(3) Including precious metals, derivative financial assets, investment properties, property and equipment, intangible assets, goodwill, right of use assets, deferred income tax assets and other assets, etc.

Loans and Advances to Customers

As at the end of the reporting period, the Group recorded RMB6,008.641 billion total loans and advances to customers (excluding accrued interest), an increase of 2.50% from the end of the previous year. Net loans and advances to customers accounted for 56.7% of total assets, unchanged from the end of the previous year. The loans and advances to customers measured at amortized cost accounted for 94.5% of total loans and advances to customers. The table below sets out the classification of the Group's loans and advances to customers by measurement attribute.

Unit: RMB million

	30 June 2026		31 December 2025	
Item	**Balance**	**Proportion *(%)***	Balance	Proportion *(%)*
Loans and advances to customers measured at amortized cost	**5,675,248**	**94.5**	5,527,688	94.3
Loans and advances to customers measured at fair value through other comprehensive income	**333,042**	**5.5**	319,217	5.4
Loans and advances to customers measured at fair value through profit or loss	**351**	**–**	15,267	0.3
Total loans and advances to customers	**6,008,641**	**100.0**	5,862,172	100.0

Please refer to the section of "Loan Quality Analysis" of this chapter for analysis of the Group's loans and advances to customers.

Financial Investments

As at the end of the reporting period, the Group recorded RMB3,024.369 billion total financial investments (excluding accrued interest), an increase of RMB92.153 billion, or 3.14%, from the end of the previous year, mainly because of an increase in the Group's bond investments.

Classification of the Group's financial investments by product is set out in the table below:

Unit: RMB million

Item	**30 June 2026** Balance	**30 June 2026** Proportion (%)	31 December 2025 Balance	31 December 2025 Proportion (%)
Bond investments	**2,278,097**	**75.3**	2,237,343	76.3
Investment funds	**450,274**	**14.9**	421,314	14.4
Trust management plans	**186,240**	**6.2**	182,503	6.2
Specific asset management plan	**22,543**	**0.7**	27,092	0.9
Wealth management products and others	**3,334**	**0.1**	2,893	0.1
Certificates of deposit and interbank certificates of deposit	**51,211**	**1.7**	32,952	1.1
Investment in equity instruments	**32,670**	**1.1**	28,119	1.0
Total financial investments	**3,024,369**	**100.0**	2,932,216	100.0

Classification of the Group's financial investments by measurement attribute is set out in the table below:

Unit: RMB million

Item	**30 June 2026** Balance	**30 June 2026** Proportion (%)	31 December 2025 Balance	31 December 2025 Proportion (%)
Financial investments measured at fair value through profit or loss	**725,042**	**24.0**	678,778	23.1
Financial investments measured at amortized cost	**1,379,451**	**45.6**	1,324,808	45.2
Financial investments measured at fair value through other comprehensive income	**911,728**	**30.1**	920,396	31.4
Financial investments designated to be measured at fair value through other comprehensive income	**8,148**	**0.3**	8,234	0.3
Total financial investments	**3,024,369**	**100.0**	2,932,216	100.0

Investment in Bonds

As at the end of the reporting period, the Group recorded RMB2,278.097 billion in bond investments, an increase of RMB40.754 billion, or 1.82%, from the end of the previous year, primarily due to an increase in investments in bonds issued by government and corporates.

Classification of Bond Investments by Issuer

Unit: RMB million

	30 June 2026		31 December 2025	
Item	**Balance**	**Proportion *(%)***	Balance	Proportion *(%)*
Banks and non-bank financial institutions	**317,393**	**13.9**	366,213	16.4
Government	**1,568,588**	**68.9**	1,476,073	66.0
Policy banks	**101,985**	**4.5**	167,811	7.5
Corporates	**274,412**	**12.0**	213,529	9.5
Public entities	**15,719**	**0.7**	13,717	0.6
Total	**2,278,097**	**100.0**	2,237,343	100.0

Breakdown of Significant Investments in Financial Bonds

The table below sets out the breakdown of the top ten investments in financial bonds held by the Group as at 30 June 2026:

Unit: RMB million

Name of bonds	**Book value**	**Maturity date (DD/MM/YYYY)**	**Coupon rate *(%)***	**Impairment allowance[Note]**
2025 Policy Bank Bonds	8,184	15/5/2035	1.78	–
2025 Policy Bank Bonds	7,709	13/6/2030	1.54	–
2025 Policy Bank Bonds	7,032	18/6/2035	1.65	–
2026 Policy Bank Bonds	4,279	24/4/2029	1.49	–
2026 Policy Bank Bonds	4,136	2/3/2027	1.51	–
2023 Policy Bank Bonds	4,032	11/1/2028	2.73	–
2020 Policy Bank Bonds	3,612	14/1/2027	3.43	–
2022 Financial Institute Bonds	3,378	21/11/2032	3.58	–
2021 Policy Bank Bonds	2,889	10/9/2026	2.83	–
2026 Policy Bank Bonds	2,572	4/3/2028	1.50	–
Total	47,823			–

Note: The first phase impairment allowance accrued as required by the expected credit loss measurement model is not included.

Investments in Associates and Joint Ventures

As at the end of the reporting period, the Group recorded RMB11.024 billion in net investments in associates and joint ventures, an increase of 25.46% over the end of the previous year. As at the end of the reporting period, the Group's balance of allowance for impairment losses on investment in associates and joint ventures was RMB85 million. For relevant details, please refer to Note 21 "Investment in Associates and Joint Ventures" to the financial statements.

Unit: RMB million

Item	**30 June 2026**	31 December 2025
Investments in joint ventures	**7,586**	7,430
Investments in associates	**3,523**	1,442
Allowance for impairment losses	**(85)**	(85)
Net investments in associates and joint ventures	**11,024**	8,787

Derivatives

The table below sets out major categories and amounts of financial derivatives held by the Group as at the end of the reporting period. For relevant details, please refer to Note 17 "Derivative Financial Assets/Liabilities" to the financial statements.

Unit: RMB million

	30 June 2026			31 December 2025		
	Notional	**Fair value**		Notional	Fair value	
Item	**principal**	**Assets**	**Liabilities**	principal	Assets	Liabilities
Interest rate derivatives	**6,014,279**	**12,462**	**12,519**	5,915,513	12,086	12,039
Currency derivatives	**4,298,776**	**31,017**	**29,848**	5,132,521	28,125	25,356
Other derivatives	**150,170**	**8,287**	**7,667**	79,915	815	6,969
Total	**10,463,225**	**51,766**	**50,034**	11,127,949	41,026	44,364

Repossessed assets

As at the end of the reporting period, the Group recorded the balance of repossessed assets of RMB2.129 billion, and charged RMB1.164 billion allowances for impairment losses on repossessed assets. The book value of repossessed assets stood at RMB965 million.

Unit: RMB million

Item	**30 June 2026**	31 December 2025
Original value of repossessed assets	**2,129**	2,224
– Premises	**2,127**	2,222
– Others	**2**	2
Allowance for impairment losses on repossessed assets	**(1,164)**	(1,234)
– Premises	**(1,164)**	(1,234)
– Others	**–**	–
Total book value of repossessed assets	**965**	990

Changes in Impairment Allowances

Unit: RMB million

Item	31 December 2025	Accruals/ (reversals) during the current period	Write-offs/ transfer out during the current period	Others[1]	**30 June 2026**
Loans and advances to customers[2]	136,856	30,940	(30,913)	3,159	**140,042**
Financial investments[3]	27,422	598	(3)	33	**28,050**
Interbank business[4]	403	(36)	–	(1)	**366**
Other financial assets and accrued interest	11,213	3,196	(2,541)	76	**11,944**
Off-balance-sheet items	9,893	(1,233)	–	(19)	**8,641**
Subtotal of allowances for credit impairment	185,787	33,465	(33,457)	3,248	**189,043**
Repossessed assets	1,234	(1)	(68)	(1)	**1,164**
Investments in associates and joint ventures	85	–	–	–	**85**
Subtotal of allowances for other asset impairments	1,319	(1)	(68)	(1)	**1,249**
Total	187,106	33,464	(33,525)	3,247	**190,292**

Notes: (1) Including recovery of write-offs, exchange rate changes and etc.

(2) Including allowances for impairment losses on loans and advances to customers measured at amortized cost, and allowances for impairment losses on loans and advances to customers measured at fair value through other comprehensive income.

(3) Including allowances for impairment losses on financial investments measured at amortized cost and allowances for impairment losses on financial investments measured at fair value through other comprehensive income.

(4) Including allowance for impairment losses of deposits and placements with, and loans to banks and non-bank financial institutions and financial assets held under resale agreements.

2.5.2.2 Liabilities

As at the end of the reporting period, the Group recorded total liabilities of RMB9,493.041 billion, an increase of 2.26% from the end of the previous year, primarily due to the increase in deposits from customers and deposits and placements from banks and non-bank financial institutions.

Unit: RMB million

	30 June 2026		31 December 2025	
Item	**Balance**	**Proportion *(%)***	Balance	Proportion *(%)*
Borrowings from central banks	**218,517**	**2.3**	204,025	2.2
Deposits from customers	**6,336,499**	**66.7**	6,127,012	66.0
Deposits and placements from banks and non-bank financial institutions	**1,377,898**	**14.5**	1,095,685	11.8
Financial assets sold under repurchase agreements	**299,945**	**3.2**	477,502	5.1
Debt securities issued	**1,089,183**	**11.5**	1,214,339	13.1
Others*(note)*	**170,999**	**1.8**	164,835	1.8
Total	**9,493,041**	**100.0**	9,283,398	100.0

Note: Including financial liabilities measured at fair value through profit or loss, derivative financial liabilities, staff remuneration payable, tax and fee payables, estimated liabilities, lease liabilities, deferred income tax liabilities and other liabilities.

Deposits from Customers

As at the end of the reporting period, the Group's total deposits from customers (excluding accrued interest) were RMB6,279.880 billion, representing an increase of RMB230.605 billion, or 3.81%, from the end of the previous year; and deposits from customers accounted for 66.7% of total liabilities, an increase of 0.7 percentage points from the end of the previous year. The Group's balance of corporate deposits was RMB4,419.887 billion, representing an increase of RMB164.861 billion, or 3.87%, from the end of the previous year; and the balance of personal deposits stood at RMB1,859.993 billion, representing an increase of RMB65.744 billion, or 3.66%, over the end of the previous year.

Unit: RMB million

	30 June 2026		31 December 2025	
Item	**Balance**	**Proportion *(%)***	Balance	Proportion *(%)*
Corporate deposits				
Demand deposits	**2,041,255**	**32.2**	2,069,377	33.8
Time deposits	**2,378,632**	**37.5**	2,185,649	35.6
Subtotal	**4,419,887**	**69.7**	4,255,026	69.4
Personal deposits				
Demand deposits	**514,573**	**8.1**	473,380	7.7
Time deposits	**1,345,420**	**21.3**	1,320,869	21.6
Subtotal	**1,859,993**	**29.4**	1,794,249	29.3
Total deposits from customers	**6,279,880**	**99.1**	6,049,275	98.7
Accrued interest	**56,619**	**0.9**	77,737	1.3
Total	**6,336,499**	**100.0**	6,127,012	100.0

Breakdown of Deposits from Customers by Currency

Unit: RMB million

	30 June 2026		31 December 2025	
Item	**Balance**	**Proportion *(%)***	Balance	Proportion *(%)*
Renminbi	**5,787,373**	**91.3**	5,595,857	91.3
Foreign currencies	**549,126**	**8.7**	531,155	8.7
Total	**6,336,499**	**100.0**	6,127,012	100.0

Breakdown of Deposits by Geographical Region

Unit: RMB million

Item	30 June 2026 Balance	30 June 2026 Proportion (%)	31 December 2025 Balance	31 December 2025 Proportion (%)
Head Office	**2,488**	**0.1**	6,163	0.1
Bohai Rim	**1,680,456**	**26.5**	1,633,990	26.7
Yangtze River Delta	**1,675,881**	**26.4**	1,567,587	25.6
Pearl River Delta and Western Straits	**987,471**	**15.6**	970,098	15.8
Central China	**842,444**	**13.3**	807,858	13.2
Western China	**628,370**	**9.9**	623,272	10.2
Northeastern China	**139,125**	**2.2**	134,024	2.2
Overseas	**380,264**	**6.0**	384,020	6.2
Total	**6,336,499**	**100.0**	6,127,012	100.0

2.5.3 Shareholders' Equity

As at the end of the reporting period, the Group's shareholders' equity was RMB890.798 billion, an increase of 5.09% from the end of the previous year. The table below sets out the changes in shareholders' equity in the Group during the reporting period.

Unit: RMB million

Item	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve and general reserve	Retained earnings	Non-controlling interests	Total
31 December 2025	55,645	104,948	95,566	3,007	194,413	375,234	18,817	847,630
Effects from the change of accounting policy	–	–	–	–	–	(84)	(28)	(112)
1 January 2026	55,645	104,948	95,566	3,007	194,413	375,150	18,789	847,518
i. Net profit	–	–	–	–	–	37,602	577	38,179
ii. Other comprehensive income	–	–	–	(1,428)	–	–	(159)	(1,587)
iii. Capital contributed or reduced by shareholders	–	20,007	(7)	–	–	–	–	20,000
iv. Profit distribution	–	–	–	–	201	(13,347)	(166)	(13,312)
30 June 2026	**55,645**	**124,955**	**95,559**	**1,579**	**194,614**	**399,405**	**19,041**	**890,798**

2.5.4 Loan Quality Analysis

Loan Risk Classification

The Group evaluates and manages its loan quality pursuant to the *Measures for Risk Classification of Financial Assets of Commercial Banks*. It clarifies the risk classification methods for various financial assets according to financial asset category, counterparty type, product structure characteristics, historical defaults, etc., and taking into account the characteristics of the Group's asset portfolios. The Group classifies loans into pass, special mention, substandard, doubtful and loss, with the latter three collectively referred to as non-performing loans.

During the reporting period, the Group continued to strengthen risk classification management. It strictly identified asset risk categories in accordance with the three-level procedures of "preliminary classification, identification and approval" to truly reflect asset quality.

Unit: RMB million

	30 June 2026		31 December 2025	
Risk category	**Balance**	**Proportion (%)**	Balance	Proportion (%)
Performing loans	**5,939,695**	**98.85**	5,794,956	98.85
Pass	**5,838,971**	**97.17**	5,699,698	97.23
Special mention	**100,724**	**1.68**	95,258	1.62
Non-performing loans	**68,946**	**1.15**	67,216	1.15
Substandard	**15,761**	**0.27**	17,394	0.30
Doubtful	**27,684**	**0.46**	26,320	0.45
Loss	**25,501**	**0.42**	23,502	0.40
Total loans	**6,008,641**	**100.00**	5,862,172	100.00

As at the end of the reporting period, the Group's balance of pass loans increased by RMB139.273 billion from the end of the previous year, and accounted for 97.17% of the total loans, representing a decrease of 0.06 percentage points from the end of the previous year; the balance of special mention loans increased by RMB5.466 billion from the end of the previous year, accounting for 1.68% of the total loans, an increase of 0.06 percentage points from the end of the previous year. The balance of the Group's NPLs increased by RMB1.730 billion from the end of the previous year; the NPL ratio stood at 1.15%, unchanged from the end of the previous year. Adhering to the business philosophy of prudent development, the Group actively adapted to changes in the market environment, continuously adjusted and optimized its credit structure, strengthened full-process credit management, enhanced risk prevention and mitigation in key areas, and increased efforts in the collection and disposal of non-performing assets. As at the end of the reporting period, the Group maintained stable asset quality.

Concentration of Loans by Product

As at the end of the reporting period, the Group's balance of corporate loans (excluding discounted bills) recorded RMB3,507.803 billion, an increase of RMB214.598 billion, or 6.52%, from the end of the previous year; its balance of personal loans reached RMB2,330.649 billion, a decrease of RMB36.149 billion, or 1.53%, from the end of the previous year. The balance of discounted bills decreased by RMB31.980 billion, or 15.82%, from the end of the previous year to RMB170.189 billion.

The Group's ratio of corporate NPLs (excluding discounted bills) decreased by 0.01 percentage point from the end of the previous year, and the balance of corporate NPLs increased by RMB2.101 billion from the end of the previous year. The Group's balance of personal non-performing loans decreased by RMB371 million from the end of the previous year, corresponding to a 0.01 percentage point increase in its personal NPL ratio from the end of the previous year. The NPL balance and NPL ratio of discounted bills both remained at zero, unchanged from the end of the previous year.

Unit: RMB million

	30 June 2026				31 December 2025			
Product category	**Balance**	**Proportion (%)**	**NPL balance**	**NPL ratio (%)**	Balance	Proportion (%)	NPL balance	NPL ratio (%)
Corporate loans	**3,507,803**	**58.38**	**38,030**	**1.08**	3,293,205	56.18	35,929	1.09
Personal loans	**2,330,649**	**38.79**	**30,916**	**1.33**	2,366,798	40.37	31,287	1.32
– Residential mortgages	**1,124,978**	**18.72**	**4,683**	**0.42**	1,123,729	19.17	4,511	0.40
– Business loans	**491,222**	**8.18**	**6,358**	**1.29**	488,061	8.32	7,161	1.47
– Credit cards	**453,851**	**7.55**	**11,653**	**2.57**	463,091	7.90	12,122	2.62
– Consumer loans	**248,740**	**4.14**	**8,222**	**3.31**	281,777	4.81	7,493	2.66
– Finance lease receivables	**11,858**	**0.20**	**–**	**–**	10,140	0.17	–	–
Discounted bills	**170,189**	**2.83**	**–**	**–**	202,169	3.45	–	–
Total loans	**6,008,641**	**100.00**	**68,946**	**1.15**	5,862,172	100.00	67,216	1.15

Concentration of Loans by Industry

As at the end of the reporting period, manufacturing, rental and business services, and water conservancy, environment and public utilities management were the top three industry borrowers of the Group's corporate loans, recording loan balances of RMB781.201 billion, RMB640.904 billion and RMB463.891 billion, respectively. Among them, the loans to manufacturing accounted for 22.27% of the Group's total corporate loans, an increase of 1.37 percentage points from the end of the previous year. The balance of loans granted to the real estate industry stood at RMB278.223 billion, accounting for 7.93% of the Group's total corporate loans, a decrease of 1.10 percentage points from the end of the previous year. In terms of the increments, manufacturing, water conservancy, environment and public utilities management, and information transmission, software and information technology services ranked among the top three, increasing by RMB92.840 billion, RMB27.434 billion and RMB21.326 billion, respectively, from the end of the previous year.

As at the end of the reporting period, the Group's NPLs were mainly concentrated in three sectors, i.e., real estate, manufacturing, and wholesale and retail, with their NPL balances collectively taking up 64.35% of the total corporate NPLs. The Group's corporate NPL ratio (excluding discounted bills) decreased by 0.01 percentage points from the end of the previous year. Specifically, the NPL ratios of multiple industries decreased, including rental and business services, information transmission, software and information technology services, production and supply of electric power, heat, gas and water, water conservancy, environment and public utilities management, and manufacturing. During the reporting period, affected by factors including the macroeconomic environment and the transformation of the real estate market, the NPL ratios of the Group's real estate, wholesale and retail, construction, transportation, storage and postal services, and other industries increased slightly compared with the end of the previous year. The Group continued to adjust and optimize its credit structure, proactively enhanced risk mitigation and disposal efforts, and maintained risks under control overall.

Unit: RMB million

	30 June 2026				31 December 2025			
Industry	**Balance**	**Proportion** *(%)*	**NPL balance**	**NPL ratio** *(%)*	Balance	Proportion *(%)*	NPL balance	NPL ratio *(%)*
Corporate loans	**3,507,803**	**58.38**	**38,030**	**1.08**	3,293,205	56.18	35,929	1.09
Manufacturing	**781,201**	**13.00**	**8,074**	**1.03**	688,361	11.75	7,142	1.04
Rental and business services	**640,904**	**10.67**	**4,181**	**0.65**	626,095	10.68	5,763	0.92
Water conservancy, environment and public utilities management	**463,891**	**7.72**	**949**	**0.20**	436,457	7.45	943	0.22
Wholesale and retail	**280,835**	**4.67**	**7,252**	**2.58**	262,739	4.48	6,026	2.29
Real estate	**278,223**	**4.63**	**9,145**	**3.29**	297,453	5.07	7,955	2.67
Transportation, storage and postal services	**182,564**	**3.04**	**502**	**0.27**	169,056	2.88	346	0.20
Production and supply of electric power, heat, gas, and water	**163,145**	**2.72**	**854**	**0.52**	149,524	2.55	849	0.57
Construction	**135,044**	**2.25**	**1,799**	**1.33**	133,624	2.28	1,671	1.25
Financial industry	**127,303**	**2.12**	**2**	**0.00**	113,036	1.93	2	0.00
Information transmission, software, and information technology services	**103,584**	**1.72**	**1,047**	**1.01**	82,258	1.40	880	1.07
Others	**351,109**	**5.84**	**4,225**	**1.20**	334,602	5.71	4,352	1.30
Personal loans	**2,330,649**	**38.79**	**30,916**	**1.33**	2,366,798	40.37	31,287	1.32
Discounted bills	**170,189**	**2.83**	**–**	**–**	202,169	3.45	–	–
Total loans	**6,008,641**	**100.00**	**68,946**	**1.15**	5,862,172	100.00	67,216	1.15

Concentration of Loans by Geographic Region

As at the end of the reporting period, the Group's total loans stood at RMB6,008.641 billion, an increase of RMB146.469 billion, or 2.50%, from the end of the previous year. Specifically, the balances of loans to the Yangtze River Delta, Bohai Rim, and Pearl River Delta and Western Straits ranked among the top three, recording RMB1,824.010 billion, RMB1,442.473 billion and RMB861.632 billion, and accounting for 30.36%, 24.01% and 14.34% of the Group's total, respectively. As for the increased amount, the Yangtze River Delta, Bohai Rim and Pearl River Delta and Western Straits ranked top three, and grew by RMB77.860 billion, RMB42.902 billion and RMB14.373 billion, respectively.

As for the distribution of NPLs, the Group's NPLs were mainly concentrated in the Bohai Rim and Yangtze River Delta, with the combined NPL balance of the above regions reaching RMB34.454 billion, accounting for 49.97% of the total. During the reporting period, the Group's loan asset quality by geographic region remained generally stable. The NPL ratios in the Bohai Rim, Pearl River Delta and Western Straits, and overseas regions decreased compared with the end of the previous year, while those in other regions increased slightly compared with the end of the previous year.

Unit: RMB million

	30 June 2026				31 December 2025			
Region	**Balance**	**Proportion (%)**	**NPL balance**	**NPL ratio (%)**	Balance	Proportion (%)	NPL balance	NPL ratio (%)
Yangtze River Delta	**1,824,010**	**30.36**	**14,997**	**0.82**	1,746,150	29.80	14,000	0.80
Bohai Rim	**1,442,473**	**24.01**	**19,457**	**1.35**	1,399,571	23.87	19,327	1.38
Pearl River Delta and Western Straits	**861,632**	**14.34**	**9,200**	**1.07**	847,259	14.45	10,280	1.21
Central China	**822,047**	**13.68**	**10,492**	**1.28**	818,539	13.96	10,225	1.25
Western China	**741,346**	**12.34**	**10,408**	**1.40**	734,236	12.52	8,952	1.22
Northeastern China	**75,898**	**1.26**	**820**	**1.08**	82,593	1.41	622	0.75
Overseas	**241,235**	**4.01**	**3,572**	**1.48**	233,824	3.99	3,810	1.63
Total loans	**6,008,641**	**100.00**	**68,946**	**1.15**	5,862,172	100.00	67,216	1.15

Note: The Bohai Rim includes the Head Office.

Breakdown of Loans by Type of Guarantee

During the reporting period, the Group's loan guarantee structure remained stable. As at the end of the reporting period, the balance of the Group's unsecured and guaranteed loans was RMB3,087.415 billion, an increase of RMB148.147 billion from the end of the previous year, accounting for 51.39% of the Group's total loans, an increase of 1.25 percentage points from the end of the previous year; the balance of loans secured by collateral and pledge was RMB2,751.037 billion, an increase of RMB30.302 billion from the end of the previous year, accounting for 45.78% of the Group's total loans, a decrease of 0.63 percentage points from the end of the previous year.

Unit: RMB million

Type of guarantee	**30 June 2026** Balance	**30 June 2026** Proportion (%)	31 December 2025 Balance	31 December 2025 Proportion (%)
Unsecured loans	**1,891,991**	**31.49**	1,785,310	30.46
Guaranteed loans	**1,195,424**	**19.90**	1,153,958	19.68
Loans secured by collateral	**2,246,332**	**37.38**	2,258,793	38.53
Pledged loans	**504,705**	**8.40**	461,942	7.88
Subtotal	**5,838,452**	**97.17**	5,660,003	96.55
Discounted bills	**170,189**	**2.83**	202,169	3.45
Total loans	**6,008,641**	**100.00**	5,862,172	100.00

Concentration of Borrowers of Corporate Loans

The Group focused on concentration risk control over its corporate loan borrowers. During the reporting period, the Group complied with the applicable regulatory requirements on the concentration of borrowers. Since a single borrower was defined by the Group as a specific legal entity, one borrower could be the related party of another borrower.

Major regulatory indicator	Regulatory standard	**30 June 2026**	31 December 2025	31 December 2024
Percentage of loans to the largest single customer *(%)*(1)	≤10	**1.01**	1.08	1.10
Percentage of loans to the top 10 customers *(%)*(2)	≤50	**7.81**	8.09	8.86

Notes: (1) Percentage of loans to the largest single customer = balance of loans to the largest single customer/net capital.

(2) Percentage of loans to the top 10 customers = balance of loans to the top 10 customers/net capital.

Unit: RMB million

Borrower	Industry	Balance	30 June 2026 Percentage in total loans *(%)*	Percentage in regulatory capital *(%)*
Borrower A	Water conservancy, environment and public utilities management	**10,342**	**0.17**	**1.01**
Borrower B	Public administration, social security and social organizations	**9,759**	**0.16**	**0.95**
Borrower C	Transportation, storage and postal services	**9,542**	**0.16**	**0.93**
Borrower D	Water conservancy, environment and public utilities management	**8,330**	**0.14**	**0.81**
Borrower E	Real estate	**8,118**	**0.14**	**0.78**
Borrower F	Transportation, storage and postal services	**7,543**	**0.13**	**0.73**
Borrower G	Rental and business services	**7,450**	**0.12**	**0.72**
Borrower H	Manufacturing	**6,967**	**0.12**	**0.68**
Borrower I	Rental and business services	**6,663**	**0.11**	**0.65**
Borrower J	Mining	**5,676**	**0.09**	**0.55**
Total loans		**80,390**	**1.34**	**7.81**

As at the end of the reporting period, the total balance of corporate loans from the Group to the top 10 customers amounted to RMB80.390 billion, accounting for 1.34% of its total loans and 7.81% of its net capital.

Migration of Loans

The table below sets out the migration of the Bank's loans across the risk categories during the reporting period. As at the end of the reporting period, the ratio of migration from performing loans to NPLs across the Bank was 0.73%.

Category	**30 June 2026**	31 December 2025	31 December 2024
Migration ratio of pass loans *(%)*	**0.90**	1.74	1.68
Migration ratio of special mention loans *(%)*	**21.53**	29.37	26.44
Migration ratio of substandard loans *(%)*	**65.78**	61.36	63.28
Migration ratio of doubtful loans *(%)*	**42.92**	54.61	73.38
Ratio of migration from performing loans to NPLs *(%)*	**0.73**	1.41	1.35

Overdue and Restructured Loans

Unit: RMB million

	30 June 2026		31 December 2025	
		Proportion		Proportion
Category	**Balance**	***(%)***	Balance	*(%)*
Loans repayable on demand	**5,910,532**	**98.37**	5,778,574	98.57
Loans overdue[1]				
Within 3 months	**37,039**	**0.61**	33,136	0.57
3-12 months	**35,327**	**0.59**	27,087	0.46
1-3 years	**19,584**	**0.33**	16,859	0.29
More than 3 years	**6,159**	**0.10**	6,516	0.11
Subtotal	**98,109**	**1.63**	83,598	1.43
Total loans	**6,008,641**	**100.00**	5,862,172	100.00
Restructured loans[2]	**43,184**	**0.72**	37,731	0.64

Notes: (1) Loans overdue refer to loans with principal or interest overdue for one day or more.

(2) Restructured loans refer to loans the debtors of which were in financial difficulties and the Group adjusted their contracts in favor of the debtors or provided refinancing for their existing debts, including repaying existing debts with new borrowing and new debt financing, so as to facilitate the loan repayment.

During the reporting period, the Group strengthened the management of overdue loans, intensified collection efforts for overdue borrowers, and formulated differentiated disposal and restructuring plans based on customers' risk profiles. As at the end of the reporting period, the Group's balance of overdue loans recorded RMB98.109 billion, accounting for 1.63% of the total.

During the reporting period, the Group managed loan restructuring in a stringent and prudent manner in accordance with regulatory policies. As at the end of the reporting period, the Group's balance of restructured loans stood at RMB43.184 billion, accounting for 0.72% of the total.

Analysis of Allowance for Loan Impairment

The Group set aside adequate allowance for loan impairment losses based on expected credit loss as required by the PRC Accounting Standards and International Financial Reporting Standards (IFRS) in light of customer default rate, default loss rate and many other quantitative risk parameters, as well as forward-looking macro adjustments.

Unit: RMB million

Item	**As at 30 June 2026**	As at 31 December 2025	As at 31 December 2024
Opening balance	**136,856**	139,240	134,517
Accruals during the period[1]	**30,940**	51,030	52,699
Write-offs and transfer-out	**(30,913)**	(65,584)	(60,724)
Recovery of loans and advances written off in previous years	**3,506**	12,693	13,259
Others[2]	**(347)**	(523)	(511)
Closing balance	**140,042**	136,856	139,240

Notes: (1) Equal to the net loan impairment losses recognized as accruals for the Group in the consolidated income statement of the Group.

(2) Including changes in foreign exchange rates and others.

As at the end of the reporting period, the Group's balance of allowance for loan impairment losses registered RMB140.042 billion, an increase of RMB3.186 billion from the end of the previous year. The Group's ratio of balance of allowance for loan impairment losses to NPL balance (i.e., allowance coverage ratio) was 203.12%, a decrease of 0.49 percentage points from the end of the previous year. The Group's ratio of balance of allowance for loan impairment losses to total loans stood at 2.33%, unchanged from the end of the previous year.

2.5.5 Major Off-Balance Sheet Items

As at the end of the reporting period, the Group's major off-balance sheet items included credit commitments, capital commitments and pledged assets. The detailed items and balances are set out in the table below.

Unit: RMB million

Item	**30 June 2026**	31 December 2025
Credit commitments		
– Bank acceptance bills	**1,014,361**	833,848
– Letters of guarantee	**239,402**	251,992
– Letters of credit	**386,312**	367,804
– Irrevocable loan commitments	**57,343**	63,486
– Credit card commitments	**743,009**	792,650
Subtotal	**2,440,427**	2,309,780
Capital commitments	**1,047**	997
Pledged assets	**651,527**	634,338
Total	**3,093,001**	2,945,115

2.5.6 Cash Flow Statement Analysis

Net Cash Inflows from Operating Activities

The Group's net cash inflows from operating activities recorded RMB230.988 billion, and the figure in the same period of previous year was RMB28.651 billion, primarily due to the increase in interbank inflows.

Net Cash Outflows Used in Investing Activities

The Group's net cash outflows used in investing activities recorded RMB52.112 billion, and the figure in the same period of previous year was RMB171.139 billion, mainly due to increased investments, disposals and redemptions, which resulted in overall net cash outflows.

Net Cash Outflows Generated from Financing Activities

The Group's net cash outflows generated from financing activities recorded RMB127.749 billion, and the figure in the same period of previous year was net cash inflows of RMB139.374 billion, mainly due to an increase in repayments of interbank certificates of deposit and debt securities and a decrease in interbank certificates of deposit and debt securities issued, resulting in an overall net cash outflow.

Unit: RMB million

Item	Six months ended 30 June 2026	Year-on-year changes *(%)*	Main reason
Net Cash Inflows from Operating Activities	**230,988**	706.2	
Including: Net cash inflows from increase in interbank business[(note)]	**202,346**	Negative in the same period of previous year	Increase in interbank inflows
Cash outflows due to increase of deposits with central banks	**(22,083)**	(183.5)	Increase in excess deposit reserves
Cash outflows due to increase in financial assets held for trading	**(46,443)**	218.4	Increase in bonds and interbank deposit certificates
Cash inflows due to increase in deposits from customers	**251,816**	(25.7)	Lower growth in customer deposits
Cash outflows due to increase in loans and advances to customers	**(185,624)**	65.2	Higher growth in loans to customers
Net Cash Outflows Used in Investing Activities	**(52,112)**	(69.5)	
Including: Proceeds from redemption of investments	**4,018,005**	33.9	Increase in disposal and redemption of financial investments
Payments on acquisition of investments	**(4,057,521)**	28.9	Increase in investments
Net Cash Outflows Generated from Financing Activities	**(127,749)**	(191.7)	
Including: Cash inflows due to proceeds from debt securities issued	**756,957**	(9.3)	Decrease in interbank certificates of deposit and debt securities issued
Cash outflows due to repayment of debt securities	**(881,065)**	30.3	Increase in repayment of interbank certificates of deposit and debt securities

Note: Including deposits and placements with, and loans to banks and non-bank financial institutions, financial assets held under resale agreements, deposits and placements from banks and non-bank financial institutions, and financial assets sold under repurchase agreements.

2.5.7 Capital Adequacy Ratio Analysis

The Group has established a closed-loop management system covering the whole process from capital planning, allocation, measurement, monitoring to evaluation. During the reporting period, in light of changes in both internal and external situations, the Group intensified efforts to serve the real economy, established and improved the coordination mechanism between capital planning and business arrangements, and reasonably promoted asset growth. Meanwhile, it continued to uphold the "light capital, light assets and light costs" development strategy. Guided by the concepts of light development and value creation, it continued to optimize the capital allocation model, enhanced refined capital management, guided operating institutions to appropriately optimize their business, customer and product mix under capital constraints, so as to achieve balanced development among business growth, value returns and capital consumption.

As at the end of the reporting period, in accordance with the *Rules on Capital Management of Commercial Banks* promulgated by the NFRA, the Group recorded a capital adequacy ratio of 12.81%, an increase of 0.01 percentage point from the end of the previous year; a tier 1 capital adequacy ratio of 10.98%, an increase of 0.08 percentage points from the end of the previous year; a common equity tier 1 capital adequacy ratio of 9.37%, a decrease of 0.11 percentage points from the end of the previous year; and a leverage ratio of 7.01%, a decrease of 0.08 percentage points from the end of the previous year. All these indicators met regulatory requirements.

Capital adequacy ratios

Unit: RMB million

Item	**30 June 2026**	31 December 2025	Increase/decrease *(%)*	31 December 2024
Net common equity tier 1 capital	**752,516**	728,608	3.28%	687,134
Net additional tier 1 capital	**129,384**	109,110	18.58%	108,619
Net tier 1 capital	**881,900**	837,718	5.27%	795,753
Net tier 2 capital	**146,895**	146,250	0.44%	148,407
Net capital	**1,028,795**	983,968	4.56%	944,160
Risk-weighted assets	**8,033,562**	7,684,339	4.54%	7,068,736
Common equity tier 1 capital adequacy ratio	**9.37%**	9.48%	A decrease of 0.11 percentage points	9.72%
Tier 1 capital adequacy ratio	**10.98%**	10.90%	An increase of 0.08 percentage points	11.26%
Capital adequacy ratio	**12.81%**	12.80%	An increase of 0.01 percentage point	13.36%

Note: The Group's capital adequacy ratios were calculated and disclosed in accordance with the *Rules on Capital Management of Commercial Banks* (NFRA Order 2023 No.4) promulgated by the NFRA.

Leverage ratio

Unit: RMB million

Item	30 June 2026	31 December 2025	Increase/decrease (%)	31 December 2024
Leverage ratio	**7.01%**	7.09%	A decrease of 0.08 percentage points	7.06%
Net tier 1 capital	**881,900**	837,718	5.27%	795,753
Adjusted balance of on-and off-balance sheet assets	**12,588,439**	11,807,185	6.62%	11,268,348

Note: The Group's leverage ratio was calculated and disclosed in accordance with the *Rules on Capital Management of Commercial Banks* (NFRA Order 2023 No.4) promulgated by the NFRA.

2.5.8 Major Accounting Estimates and Assumptions

The preparation of the financial statements in conformity with the IFRS Accounting Standards required the Group to make certain accounting estimates and assumptions when applying its accounting policies to recognize the amounts of assets, liabilities, as well as profits or losses for the reporting period. The accounting estimates and assumptions made by the Group were based on its historical experience and other factors such as reasonable expectations of future events. The key assumptions involved in such estimates and the judgment on uncertainties were reviewed on an ongoing basis. Such accounting estimates and assumptions made by the Group were all appropriately recognized during the current period of the concerned changes and will be recognized as such during the subsequent periods of any impacts resulting from such changes.

The basis for preparing the Group's financial statements was influenced by estimates and judgments in the following main aspects: expected credit loss measurement model, classification of financial assets, fair value measurement of financial instruments, the derecognition of financial assets, the control of structured entities, income tax, deferred income tax, etc.

2.5.9 Major Financial Statement Items with More than 30% Changes

Unit: RMB million

Item	30 June 2026/ Six months ended 30 June 2026	Increase/ Decrease from the previous year-end/the same period of previous year *(%)*	Main reason
Cash and deposits with central banks	**523,466**	35.3	Increase in excess reserves
Deposits with banks and non-bank financial institutions	**82,428**	(41.6)	Decrease in deposits with banking financial institutions
Financial assets held under resale agreements	**113,370**	(33.2)	Decrease in bonds held under resale agreements
Deposits from banks and non-bank financial institutions	**1,226,651**	31.0	Increase in deposits from non-bank financial institutions
Financial liabilities measured at fair value through profit or loss	**8,658**	568.1	Increase in bonds sold short
Financial assets sold under repurchase agreements	**299,945**	(37.2)	Decrease in bonds sold under repurchase agreements
Accrued staff costs	**14,486**	(30.9)	Decrease in accrued staff costs
Other comprehensive income	**1,579**	(47.5)	Decrease in foreign currency translation differences
Other net operating income	**4,224**	229.0	Increase in operating lease income, and the gains from the acquisition of an associate, as the investment cost was lower than the Group's share of the fair value of the associate's identifiable net assets at the acquisition date.
Share of net profit of associates and joint ventures	**208**	(54.7)	Decrease in net investment income from joint ventures

2.5.10 Segment Report

2.5.10.1 Business Segments

Major business segments of the Group include corporate banking, retail banking and financial markets business. The table below lists the operating results of the Group by business segment.

Unit: RMB million

	Six months ended 30 June 2026				Six months ended 30 June 2025			
Business segment	**Segment operating income**	**Proportion *(%)***	**Segment profit before tax**	**Proportion *(%)***	Segment operating income	Proportion *(%)*	Segment profit before tax	Proportion *(%)*
Corporate banking	**50,536**	**45.8**	**30,122**	**64.3**	49,481	46.7	28,995	62.2
Retail banking	**40,249**	**36.4**	**2,497**	**5.3**	40,488	38.3	5,595	12.0
Financial markets business	**17,428**	**15.8**	**13,797**	**29.4**	15,197	14.4	12,353	26.5
Others and unallocated	**2,196**	**2.0**	**463**	**1.0**	667	0.6	(321)	(0.7)
Total	**110,409**	**100.0**	**46,879**	**100.0**	105,833	100.0	46,622	100.0

Unit: RMB million

	30 June 2026		31 December 2025	
Business segment	**Segment total assets**	**Proportion *(%)***	Segment total assets	Proportion *(%)*
Corporate banking	**3,666,254**	**35.5**	3,440,692	34.1
Retail banking	**2,297,838**	**22.2**	2,341,398	23.2
Financial markets business	**3,665,562**	**35.5**	3,664,314	36.4
Others and unallocated	**701,668**	**6.8**	629,954	6.3
Total	**10,331,322**	**100.0**	10,076,358	100.0

Note: Segment assets do not include deferred income tax assets.

2.5.10.2 *Geographical Segments*

The Group operates mainly in the Chinese mainland, with branches and sub-branches covering 31 provinces, autonomous regions and municipalities. London Branch officially commenced operation in June 2019. Hong Kong Branch was opened in March 2024. As for subsidiaries, CIFH and CNCB Investment were registered in the Hong Kong SAR, while Lin'an CITIC Rural Bank, CITIC Financial Leasing, CITIC Wealth Management and CITIC Bank Financial Asset Investment were registered in the Chinese mainland. The table below lists the operating results of the Group by geographical segment.

Unit: RMB million

	30 June 2026/Six months ended 30 June 2026				31 December 2025/Six months ended 30 June 2025			
	Segment total assets		**Segment profit before tax**		Segment total assets		Segment profit before tax	
Geographical segment	**Balance**	**Proportion *(%)***	**Balance**	**Proportion *(%)***	Balance	Proportion *(%)*	Balance	Proportion *(%)*
Head Office	**3,942,645**	**38.1**	**20,778**	**44.3**	3,818,384	37.9	28,597	61.4
Yangtze River Delta	**2,382,769**	**23.1**	**8,869**	**18.9**	2,211,466	21.9	6,910	14.8
Pearl River Delta and Western Straits	**1,186,473**	**11.5**	**729**	**1.6**	1,134,174	11.3	431	0.9
Bohai Rim	**2,283,480**	**22.1**	**9,178**	**19.6**	2,161,594	21.5	7,564	16.2
Central China	**926,760**	**9.0**	**2,551**	**5.5**	901,305	8.9	(394)	(0.8)
Western China	**807,029**	**7.8**	**1,984**	**4.2**	795,978	7.9	1,091	2.3
Northeastern China	**147,272**	**1.4**	**252**	**0.5**	141,031	1.4	(101)	(0.2)
Overseas	**610,220**	**5.9**	**2,538**	**5.4**	564,458	5.6	2,524	5.4
Offset	**(1,955,326)**	**(18.9)**	**–**	**–**	(1,652,032)	(16.4)	–	–
Total	**10,331,322**	**100.0**	**46,879**	**100.0**	10,076,358	100.0	46,622	100.0

Note: Segment assets do not include deferred income tax assets.

2.6 Key Issues in Operations

2.6.1 Loan Extension

Corporate Loans

The Bank thoroughly implemented the political and people-oriented nature of financial work, consistently upheld its primary responsibility and core business of serving the real economy, and remained closely aligned with the "3+6+9+N"[6] allocation strategy for major asset classes. While maintaining steady growth in loan scale, the Bank placed greater emphasis on optimizing loan structure and enhancing quality. It worked to direct credit resources toward key areas and critical links aligned with national strategies. These efforts have enabled the Bank to achieve a positive transformation from scale-driven growth toward a more balanced development pattern featuring both quantitative growth and qualitative improvement. As at the end of the reporting period, the Bank's balance of corporate loans (excluding discounted bills) reached RMB3,265.342 billion, representing an increase of RMB204.089 billion, or 6.67%, from the end of the previous year. Specifically, the balance of RMB corporate loans (excluding discounted bills) amounted to RMB3,142.002 billion, an increase of RMB212.374 billion from the end of the previous year, representing a growth rate of 7.25%. The Bank actively responded to national policies aimed at reducing financing costs for the real economy. Committed to supporting the real economy and helping enterprises overcome challenges, the Bank effectively transmitted policy benefits to market entities. During the reporting period, the interest rate of general corporate loans declined. Meanwhile, the Bank continued to safeguard the bottom line of risk management and strike a balance between development and security. As at the end of the reporting period, the NPL ratio of the Bank's corporate loans (excluding discounted bills) stood at 1.04%, unchanged from the end of the previous year, and the Bank maintained strong risk resilience.

During the reporting period, the Bank aligned its efforts with national strategic priorities and the "Five Priorities" in finance by increasing credit support for key areas of the real economy, enhancing resource allocation, and directing financial resources to areas where they were most needed. As at the end of the reporting period, the balances of loans in key areas, including mid- and long-term manufacturing, green credit, private economy, strategic emerging industries, and inclusive finance for small and micro enterprises, amounted to RMB389.824 billion, RMB789.073 billion, RMB1,536.063 billion, RMB794.518 billion and RMB655.352 billion, respectively. Compared with the end of the previous year, these balances increased by RMB30.557 billion, RMB36.611 billion, RMB74.378 billion, RMB27.310 billion and RMB11.046 billion, representing growth rates of 8.51%, 4.87%, 5.09%, 3.56% and 1.71%, respectively. Meanwhile, the Bank deeply implemented regional development strategies by continuously increasing credit support in key regions such as the Beijing-Tianjin-Hebei region, the Yangtze River Delta, the Guangdong-Hong Kong-Macao Greater Bay Area and the Chengdu-Chongqing economic circle. As at the end of the reporting period, the combined balance of corporate loans (excluding discounted bills) in the above four regions accounted for 70.78% of the Bank's total corporate loans, an increase of 0.68 percentage points from the end of the previous year.

[6] The "3+6+9+N" allocation strategy for major asset classes refers to a four-tier asset allocation framework developed around four key dimensions of customers, scenarios, fields and industries. Under this framework, "3" refers to laying the foundation by strengthening tiered management of three customer segments; "6" refers to pursuing marketing breakthroughs across six major scenarios; "9" refers to expanding comprehensive coverage across nine key fields of real economy; and "N" refers to facilitating the commercialization of industry research findings.

In the second half of the year, the Bank's corporate lending business will continue to closely align with national macroeconomic policies, balance short-term growth with long-term development, and capitalize on structural opportunities. First, the Bank will deepen structural transformation. By closely following the national 15th Five-Year Plan and major national strategies, the Bank will proactively support the upgrading of traditional industries and the cultivation of emerging pillar industries. It will focus resources on key areas and scenarios, including green development, technological innovation, cross-border business, capital markets, and mergers and acquisitions, to continuously increase the proportion of medium- and long-term loans. Second, the Bank will strengthen strategic focus. It will optimize the pace and allocation of lending in key regions, consolidate its base of high-quality customer groups, and enhance the precision and effectiveness of its services to the real economy. Third, the Bank will improve management efficiency. It will deepen full-process lean management and leverage digital and intelligent capabilities to enhance the efficiency of asset allocation. Fourth, the Bank will strengthen professional capabilities by coordinating efforts in industry research, talent development and asset allocation strategies, thereby building momentum for high-quality development.

Personal Loans

Faced with a complex and evolving external environment, the Bank remained committed to building itself into a bank of value. It continued to provide strong support for personal housing mortgage loans, advanced the development of inclusive finance, continuously enriched its consumer finance product offerings, and actively implemented government-funded interest subsidy programs for personal consumer loans. Meanwhile, the Bank further strengthened its personal loan risk management capabilities, enhanced asset quality control, and maintained stable performance in terms of personal lending scale, pricing and quality. As at the end of the reporting period, the Bank's balance of personal loans reached RMB2,262.764 billion, representing a decrease of RMB40.039 billion, or 1.74%, from the end of the previous year. Among this, the balance of personal loans (excluding credit cards) amounted to RMB1,809.574 billion, while the balance of credit card loans stood at RMB453.190 billion. During the reporting period, the Bank newly extended RMB380.009 billion of personal loans (excluding credit cards), of which RMB81.291 billion was personal housing loans, RMB109.173 billion was personal inclusive loans, and RMB161.114 billion was personal consumer loans. From a pricing perspective, as market interest rates for personal loans continued to decline, the prices of newly extended loans for the Bank's major personal loan products declined further.

In the second half of the year, the Bank will continue to make steady progress in advancing the "Five Priorities" in finance, actively implement national policies aimed at boosting consumption and other requirements, continuously increase the scale of personal loan business, and enhance the financial support for small and micro enterprises and household consumption.

2.6.2 Customer Deposits

Corporate Deposits

During the reporting period, amid a low interest rate environment, the trend of corporate deposits shifting toward time deposits and wealth management products has continued. Meanwhile, intensified competition among banks for existing customers and increasingly homogeneous products have slowed the overall growth of corporate deposits across the market. The Bank actively responded to the external challenges, and through enhancing customer engagement and application of products, it maintained steady growth in its corporate deposits. As at the end of the reporting period, the Bank's balance of corporate deposits recorded RMB4,234.423 billion, representing an increase of RMB148.073 billion, or 3.62%, from the end of the previous year. In terms of customer structure, the balance of general deposits from small and medium-sized customers accounted for 29.30%, an increase of 4.94 percentage points from the end of the previous year. In terms of product structure, the balance of demand deposits accounted for 46.13% of total corporate deposits, a decrease of 2.52 percentage points from the end of the previous year. During the reporting period, the average daily balance of corporate deposits amounted to RMB4,037.322 billion, representing a year-on-year increase of 0.46%. In terms of costs, the cost rate of corporate deposits was 1.09%, representing a year-on-year decrease of 39 bps.

In the second half of the year, in line with market trends, the Bank will continue to implement the operating philosophy of "balancing volume and pricing". It will leverage payroll service scenarios to enhance customer acquisition and engagement capabilities, continuously consolidate its base of high-quality settlement deposits, and effectively promote the high-quality development of corporate liabilities, thereby steadily moving toward its goal of becoming a "leading payment and settlement bank".

Personal Deposits

During the reporting period, driven by the recovery of capital markets, individual customers adjusted their asset allocation structures, resulting in slower growth in personal deposits. In response to market developments and customer needs, the Bank continued to deepen its "Five Expertise"[7] customer management strategy. By providing integrated financial services covering investment, financing and settlement, the Bank effectively facilitated fund flow and promoted the accumulation of settlement deposits. The Bank strategically advanced payroll services and strengthened comprehensive management of payroll customer groups, thereby enhancing fund retention efficiency. Meanwhile, leveraging key scenarios such as family financial services and retirement planning, the Bank optimized the special section of personal deposit product on its mobile banking platform to better meet customers' savings needs across various scenarios and drive steady growth in personal deposits. During the reporting period, the Bank's average daily balance of personal deposits reached RMB1,607.443 billion, representing a year-on-year increase of 7.03%. As at the end of the reporting period, the Bank's balance of personal deposits amounted to RMB1,666.720 billion, representing an increase of RMB84.699 billion, or 5.35%, from the end of the previous year. Among this, the balance of personal structured deposits was RMB66.108 billion, representing a decrease of RMB2.209 billion from the end of the previous year. The balance of personal structured deposits accounted for 3.97% of personal deposits, a decrease of 0.35 percentage points from the end of the previous year, indicating continued optimization of the deposit structure. In terms of deposit costs, the Bank's personal deposit cost rate was 1.43% during the reporting period, representing a year-on-year decrease of 42 bps.

In the second half of the year, despite challenges arising from external factors such as increased volatility in the capital markets and expectations of interest rate cuts, the principal-preserving nature of deposits remains irreplaceable in asset allocation portfolios. Customers with lower risk appetites are expected to maintain a strong preference for deposit products. The Bank will continue to optimize deposit products based on customer needs, enhance customers' transaction experience through electronic channels such as mobile banking, and focus on the accumulation of settlement funds, with the aim of achieving balanced growth in deposit volume and pricing.

2.6.3 Net Interest Margin

During the reporting period, the Group's net interest margin (NIM) was 1.62%, a decrease of 1 bp year on year and an increase of 1 bp from the first quarter of the year, showing signs of stabilization. From a year-on-year change perspective, both asset yields and liability costs declined, with asset yields declining slightly faster. On the asset end, yields continued to decline due to factors such as insufficient effective credit demand and intensified market competition. On the liability end, the Bank proactively strengthened liability cost management by continuously optimizing its liability structure, improving liability quality, and capturing favorable market opportunities, so as to drive a continued decline in funding costs.

7 "Five Expertise" refers to being an expert at settlement, investment, financing, activities and services.

In the second half of the year, with further improvements in the interest rate transmission mechanism and a more standardized environment for competition in the banking sector, the overall NIM of the sector is expected to stabilize. While advancing the "Five Priorities" in finance and enhancing the quality and efficiency of services to the real economy, the Group will maintain sound and sustainable development and strive to stabilize its NIM. On the asset end, the Group will increase resource allocation to key initiatives at the early stage of the 15th Five-Year Plan period, continuously improve the alignment between asset growth and macroeconomic trends, optimize the structure of major asset classes, reduce the proportion of low-yield assets, and stabilize asset yields to the greatest extent possible. On the liability end, guided by the development philosophy of "balancing volume and pricing", the Group will steadily advance its goal of becoming a "leading payment and settlement bank", continuously consolidate its liability base, and further reduce liability costs.

2.6.4 Net Non-interest Income

During the reporting period, the Group continued to explore new directions for business development, unleashed the potential in income growth, and recorded net non-interest income of RMB37.260 billion, representing a year-on-year increase of 7.59%. Specifically, net fee and commission income amounted to RMB17.230 billion, representing a year-on-year increase of 2.41%. By product category, bank card fees totaled RMB6.427 billion, a decrease of 7.83% year on year, mainly due to declining credit card transactions across the market. However, the Group actively expanded new channels and developed new products, with transaction volumes improving in the first half of the year. Agency fees amounted to RMB4.075 billion, an increase of 31.66% year on year, mainly driven by strong growth in revenue from the agency sales of funds and trust products. Fees for custodian and other fiduciary business reached RMB2.019 billion, an increase of 5.76% year on year, mainly due to growth in assets under custody. Wealth management fees amounted to RMB3.011 billion, a decrease of 5.94% year on year, primarily due to the high base in the previous year. Settlement and clearing fees stood at RMB1.380 billion, a decrease of 8.67% year on year, mainly due to lower revenue from letters of credit business as a result of declining fee rates.

Other net non-interest income amounted to RMB20.030 billion, representing a year-on-year increase of 12.48%, mainly attributable to the Group's continued enhancement of its trading capabilities, close monitoring of market trends, flexible asset allocation, discovery of value opportunities, improved trading efficiency, broader and deeper trading strategies, and increased securities investment income.

In the second half of the year, leveraging opportunities arising from the development of wealth management markets, capital markets, and cross-border finance, the Group will focus on key growth areas, including asset management business, mergers and acquisitions and industrial finance, cross-border asset allocation, and agency foreign exchange services, to drive steady growth in net non-interest income.

2.6.5 Asset Quality in Key Areas

During the reporting period, the Bank adhered to a structure-based approach, with a focus on asset quality, coordinated development and security, strengthened comprehensive risk management, and maintained overall stability in asset quality. The Bank strengthened risk management and control in key areas through differentiated measures. In implementing the urban real estate financing coordination mechanism and a package of debt resolution policies, it enhanced the management of businesses related to real estate and local government financing platforms to continuously optimize business structures and accelerate the disposal of associated risks. Focusing on key links such as customer and channel access and near maturity management, it enhanced risk control for the personal loan business to ensure sound asset quality. As at the end of the reporting period, the balance of the Group's NPLs amounted to RMB68.946 billion, representing an increase of RMB1.730 billion compared with the end of the previous year. The NPL ratio stood at 1.15%, unchanged from the end of the previous year.

2.6.5.1 Risk Control for Corporate Real Estate Loans

The Bank resolutely implemented the decisions and plans of the CPC Central Committee and the State Council, continued to implement the overall strategy of "improving business quality, stabilizing existing business and optimizing incremental business", and accelerated efforts to establish a new model for real estate development.

During the reporting period, the Bank adopted the project-based approach for new businesses and adhered to a project-centered principle with closed-loop fund management, focusing on supporting government-subsidized housing projects encouraged by national policies and high-quality residential projects for improved living that met the standards for "quality homes". New lending was mainly concentrated in the core urban areas of higher-tier cities with healthy housing inventory absorption and net population inflows. By project location, 95% of the Group's outstanding corporate real estate loans were concentrated in first- and second-tier cities and key regions such as the Beijing-Tianjin-Hebei region, the Yangtze River Delta, the Guangdong-Hong Kong-Macao Greater Bay Area and the Chengdu-Chongqing Economic Circle. For existing businesses, the Bank strengthened risk prevention and control, continued to advance the renewal of loans for projects on the "white list", and promoted the resolution of existing risk projects in an orderly manner under a "one customer, one policy" approach.

As at the end of the reporting period, the balance of corporate real estate financing for which the Group bore credit risk, including loans, bank acceptance bills, letters of guarantee, bond investments and non-standard investments, amounted to RMB353.140 billion, a decrease of RMB 27.385 billion from the end of the previous year. Specifically, the balance of corporate real estate loans was RMB278.223 billion, a decrease of RMB19.230 billion from the end of the previous year, accounting for 7.93% of the Group's corporate loans, a decrease of 1.10 percentage points from the end of the previous year. The balance of corporate real estate financing for which the Group did not bear credit risk, such as agency distribution and wealth management funds, amounted to RMB82.969 billion, a decrease of RMB14.189 billion from the end of the previous year.

In the second half of the year, the Bank will continue to implement real estate industry policies and regulatory requirements, closely monitor policy developments, selectively support key regions and high-quality projects, and contribute to the establishment of a new model for real estate development. Leveraging policies such as the urban real estate financing coordination mechanism, the Bank will capitalize on its synergies across the Group and adopt diversified disposal measures to advance the resolution of risk projects in the real estate sector.

2.6.5.2 Risk Control for Personal Housing Loans

The Bank actively implemented national and regional policy requirements, and maintained and consolidated its market-leading position in mortgage business. As at the end of the reporting period, the Bank's balance of personal housing loans reached RMB1,088.005 billion, representing an increase of RMB334 million from the end of the previous year. The Bank's personal housing loan business was primarily concentrated in first- and second-tier cities as well as economically developed regions such as the Yangtze River Delta and the Guangdong-Hong Kong-Macao Greater Bay Area. The balance of personal housing loans in these regions accounted for 89.70% of the Bank's total personal housing loan balance, an increase of 0.09 percentage points from the end of the previous year.

The Bank strictly controlled project admission, optimized the structure of mortgage cooperation channels, and strengthened monitoring, tiered management and exit management of cooperation channels. It formulated refined and differentiated risk appetites across regions and channels, and increased the proportion of business conducted by key property developers and through leading intermediary channels, to prevent channel-related risks. Meanwhile, the Bank increased mortgage support for key regions and customer groups to prevent and control real estate market risks. As at the end of the reporting period, the ratio of non-performing personal housing loans was 0.42%, an increase of 0.01 percentage point from the end of the previous year; and the ratio of overdue loans was 0.69%, an increase of 0.06 percentage points from the end of the previous year.

In the second half of the year, policies aimed at stabilizing the real estate market are expected to remain in force, while structural divergence in the market is likely to persist. The Bank will actively implement national policy measures to stabilize the real estate market, continue to promote the sound development of its personal housing loan business, focus on key channels, further deepen the coordination mechanism between the Head Office and branches, focus resources on key cities, and consolidate regional competitive advantages. The Bank will better meet the financing needs for first-home purchases and housing upgrades while maintaining stable asset quality.

2.6.5.3 Risk Control for Local Government Financing Platforms

During the reporting period, the Bank resolutely implemented national decisions and plans on preventing and mitigating local government debt risks. It prudently and orderly addressed existing debt risks in accordance with laws and regulations, strictly controlled new financing through local government financing platforms, and continued to strengthen risk management through measures including the centralization of certain approval authorities, the formulation of credit structure adjustment policies for selected regions, and the optimization of credit review and approval standards.

As at the end of the reporting period, the Bank's balance of loans related to local government hidden debt amounted to RMB48.710 billion, representing a decrease of RMB26.654 billion from the end of the previous year, a change that indicated continued risk mitigation. The credit structure remained sound, with loans concentrated in economically developed regions, including eastern, southern and central regions of China, which accounted for 65.18% of the total. Loans to prefecture-level cities and above accounted for 63.53%. Asset quality remained manageable. The balance of NPLs was zero, and the balance of special-mention loans amounted to RMB836 million, representing a decrease of RMB91 million from the end of the previous year. The ratio of special-mention loans was 1.72%, increasing slightly as a result of the rapid decline in total loans.

In the second half of the year, the Bank will continue to closely monitor national policies on debt resolution and changes in regional risk conditions, and dynamically optimize risk management measures in a timely manner. It will firmly safeguard the bottom line of compliance risk management, ensure that new business does not increase hidden local government debt, strengthen operational and credit monitoring of local government financing platforms following their exit, and strictly prevent debt evasion. Meanwhile, the Bank will strengthen overall exposure management and structural optimization. In accordance with market-oriented and law-based principles, the Bank will focus on economically developed regions and high-level entities, increase support for enterprises that are highly market-oriented, and promote the steady improvement of asset quality, thereby effectively preventing credit risks.

2.6.5.4 Risk Control for Personal Consumption-Related Loans

Risk Control for Personal Consumer Loans

Affected by multiple factors, including the economic cycle and market conditions, the consumer finance market, despite its long-term growth potential, is currently facing challenges such as insufficient loan demand and the gradual release of cyclical risks, leading to an increase in the overall risk level of consumer loans. As at the end of the reporting period, the Bank's balance of personal consumer loans amounted to RMB232.760 billion. The NPL ratio was 3.52%, an increase of 0.72 percentage points from the end of the previous year. The ratio of overdue loans was 4.79%, an increase of 0.98 percentage points from the end of the previous year. In terms of leading indicators, the early delinquency rate of newly issued "CITIC Instant Loan" in the first half of the year was 0.08%, remaining at a relatively favorable level in recent years.

The personal consumer loan business of the Bank will conduct business with a focus on "white list" customer groups and high quality retail customer groups in the second half of this year. Through proactive structural optimization and deeper engagement with existing customers, the Bank will improve the overall quality of its consumer loan portfolio. Meanwhile, leveraging its intelligent risk management system, the Bank will strengthen customer onboarding and credit extension management, upgrade digital and intelligent risk control measures, and implement tiered and differentiated consumer credit risk management strategies. By thoroughly integrating risk control systems with intelligent technologies, the Bank will continuously improve the asset quality of its personal consumer loan business.

Risk Control for Credit Card Business

The Bank adhered to a prudent risk management appetite for its credit card business and remained committed to balancing risk prevention with business development. **For incremental businesses,** guided by target customer segments, the Bank strictly controlled credit access standards and continuously optimized the integrated risk control strategy for new customers across regions, scenarios, industries, and customer groups, thereby enhancing the effectiveness of risk management for new customers. **For existing businesses,** the Bank upgraded its existing customer strategy framework for precise allocation of credit resources and a portfolio of high-quality loans. It strengthened targeted management and disposal of high-risk tail-end assets, promptly reduced exposures to high-risk customers, and lowered risk costs. Meanwhile, the Bank continuously enhanced the development of its multi-tiered debt recovery system featuring "collection, litigation and mediation" and adopted multiple measures to reduce non-performing assets. As at the end of the reporting period, the Bank's balance of non-performing credit card loans amounted to RMB11.645 billion, representing a decrease of RMB472 million from the end of the previous year. The NPL ratio was 2.57%, a decrease of 0.05 percentage points from the end of the previous year.

In the second half of the year, the Bank will adhere to the principle of "volume reduction and quality improvement", conduct look-through risk analysis and assessment to address risk transmission for its credit card business, capitalize on development opportunities through forward-looking strategic positioning, and leverage advanced risk quantification technologies to build a risk control system featuring "dynamic adaptation and comprehensive joint prevention". These efforts will ensure that asset quality under the credit card business remains stable and manageable.

2.6.6 Formation and Disposal of Non-performing Assets

During the reporting period, the Group proactively anticipated and responded to changes in the risk landscape, with asset quality remaining stable. As at the end of the reporting period, the NPL ratio of the Group was 1.15%, unchanged from the end of the previous year, and the NPL formation ratio was 0.55%, unchanged from the same period of the previous year.

Aiming to "reduce losses, increase efficiency, and create value", the Group consistently adhered to the principle of controlling new risks and resolving existing risks, continuously practiced its business philosophy, accurately captured market opportunities and policy opportunities, proactively implemented refined management of non-performing assets, actively broadened the disposal channels, and intensified the use of market-oriented disposal methods to enhance the disposal efficiency and effectiveness. During the reporting period, the Group adopted a comprehensive NPL disposal approach including recovery, transfer, write-off and restructuring. It disposed of NPLs totaling RMB43.771 billion, including RMB7.267 billion through regular write-offs and RMB22.763 billion through asset securitization.

2.6.7 Business Synergy

Adhering to the business philosophy of "One CITIC, One Customer", the Bank continued to strengthen innovation in collaboration models and enhance the value contribution of collaboration. During the reporting period, synergies across the Bank were unleashed at a faster pace, with more tangible results delivered by business empowerment, and the momentum for high-quality development was further reinforced.

Enhancing the quality and efficiency of Group-wide collaboration. The Bank strengthened coordination with CITIC Group to establish a collaboration framework encompassing "intra-bank collaboration, parent bank-subsidiary collaboration, Group-wide collaboration and cross-border collaboration". During the reporting period, the Bank successfully hosted a series of events, including "International Enterprises' Zhejiang Tour", "International Life and Health Enterprises Hainan Visit", and "International Enterprises' Guangxi Tour", further enhancing its brand influence as the preferred choice for outbound and inbound visitors. As a result, the Bank played an increasingly prominent role in providing collaborative financial services across key scenarios, including industrial finance, technology finance, government finance and cross-border finance.

Driving innovation in collaboration models. The Bank integrated resources and solutions available across CITIC Group to develop the "Ten Comprehensive Financial Service Models of CITIC", including the "CITIC United Fleet" customer acquisition model, joint product innovation model and joint service model. The Bank continued to advance pilot programs for comprehensive financial application scenarios, including "coverage of national-level enterprises that use specialized and sophisticated technologies to produce novel and unique products and manufacturing single-product champion enterprises", "loans for stock repurchase and shareholding increase for listed companies", and "support for overseas expansion of automotive manufacturers". During the reporting period, the CITIC Equity Investment Alliance established 14 new funds, with newly added assets under management totaling RMB12.412 billion.

Continuing to deepen collaboration in key areas. The Bank strengthened collaboration with CITIC Group's financial subsidiaries and enhanced cooperation with CITIC Securities and CSC Financial Co., Ltd. through improved coordination and optimized information sharing mechanisms. Focusing on key areas such as industry research, direct financing, mergers and acquisitions, share repurchases and shareholding increases, the Bank further deepened finance-finance collaboration. As at the end of the reporting period, the Bank jointly underwrote 87 debt financing instruments with CITIC Securities and CSC Financial Co., Ltd., with a total project amount of RMB77.39 billion.

2.6.8 Prevention of AI Security-related Risks

The Bank implemented national and regulatory requirements on AI security management. In technology activities in the financial sector, including new technology research and information system development, the Bank proactively strengthened AI R&D security, data security, cybersecurity defense and technology ethics management to effectively prevent related risks.

The Bank upheld the bottom line of security and compliance. It established an AI security management framework based on processes and standards to standardize security control measures throughout the admission, development, testing and deployment stages of AI applications. The Bank implemented data security management requirements, established differentiated access permissions and operational approval procedures for different data categories and levels based on data classification and grading, and specified security requirements for data generation, introduction, collection, transmission, use, storage and destruction, to ensure that data could remain manageable, auditable and traceable throughout the lifecycle. The Bank built a security system featuring "static model-based protection and dynamic interactive defense". At the static level, it strengthened mechanisms for model source verification and model security review. At the dynamic level, it implemented defense-in-depth across platforms, computing power, models, data and AI applications. Through a unified security monitoring platform, the Bank achieved full-chain security management, with a focus on preventing security threats such as AI attacks and data misuse.

The Bank implemented national and regulatory requirements on technology ethics management, strengthened awareness of bottom-line compliance and accountability and regulated data use during AI model training and inference processes. It reviewed and filtered AI-generated content to ensure that technology applications complied with ethical principles of fairness and responsibility, while preventing risks such as value biases, discrimination and customer privacy breaches.

2.7 Implementation of Strategies

2.7.1 An Excellent Wealth Management Bank

With the strategic goal of becoming an excellent wealth management bank, the Bank firmly advanced its new retail development strategy centered on wealth management. By refining the operating strategy of "Three Comprehensives, Five Expertise, Four Rings and Two Wings", the Bank enhanced its systematic capabilities in customer acquisition, operation, product offerings, service delivery and brand building. It developed a growth engine driven by the deep application of digital and intelligent technologies and organizational innovation, thereby establishing a new high-quality development paradigm centered on wealth management and supported by retail credit. Through this approach, the Bank helped customers progress from wealth accumulation to wealth succession and remained committed to becoming a distinctive, capable and trusted lifelong wealth partner for customers. As at the end of the reporting period, the balance of the Group's retail assets under management (at market value) reached RMB5.85 trillion, representing an increase of 9.22% compared with the end of the previous year.

Working to build systematic capabilities. The Bank advanced high-quality customer acquisition by further strengthening the integration of corporate and personal banking. Leveraging the service ecosystem for high-quality enterprises, the Bank enhanced the quality and expanded the coverage of payroll services and the "Light Up Program" for private banking. The number of newly added effective payroll service customers and the amount of effective payroll services increased year on year, while customers acquired through the "Light Up Program" from corporate to personal banking achieved rapid year-on-year growth. Through the "Xingluo Program", the Bank established a high-quality scenario-based customer acquisition system for its credit card business, with customer acquisition from high-quality scenarios in food, accommodation, transportation, entertainment, and shopping increasing by 12.65 percentage points compared with the end of the previous year. **The Bank deepened customer engagement** by continuously refining its tiered customer management system covering ordinary, wealthy, VIP, and private banking customers. The total number of wealthy and VIP customers exceeded 5 million, while the number of private banking customers surpassed 100,000. The Bank launched the "Brilliant Program", a VIP customer management capability enhancement initiative, established a five-tier, three-unified asset allocation system[8], developed more than 100 benchmark sub-branches, and established standardized sub-branch management models, talent development mechanisms, and asset allocation service systems to enhance the service capabilities of frontline teams. **The Bank optimized investment research and product selection** by improving its integrated investment research framework covering investment research, strategy formulation, product selection and service delivery. Key product lines delivered strong performance, and fee and commission income from publicly offered and private funds recorded relatively rapid year-on-year growth. **The Bank accelerated the development of digital and intelligent services.** During the reporting period, the Bank launched a range of tools, including intelligent customer profiling, the "Voice of Customer" intelligent analysis system, intelligent communication coaching, and intelligent credit card assistants, further strengthening closed-loop management across customer analysis, engagement and service delivery.

Building distinctive business cards. The Bank advanced tiered management system of its **private banking business** with a focus on intensive management and comprehensive capability enhancement across the full service chain. It focused on enhancing the professional capabilities of private banking teams, with the intensive coverage rate of private banking customers increasing by 4.90 percentage points from the end of the previous year. The Bank focused on core scenarios of **retail credit business**, including mortgage loans and essential consumer needs, driving balanced growth in both scale and quality. During the reporting period, the Bank maintained strong personal housing loan disbursements, with the proportion of newly issued personal housing loans granted to high-rated customers increasing by 0.81 percentage points year on year. Meanwhile, the online credit card transaction volume increased by 15.37% year on year. **In terms of pension finance,** the Bank continued to enhance its third-pillar pension service capabilities by deepening the "account opening-fund contribution-asset allocation" service chain. It launched central government bond products under private pension accounts and upgraded the "Pension Account Book 3.0" for elderly customers. The number of personal customers served by the Bank's pension finance business increased by 5.77% from the end of the previous year. The Bank continued to strengthen its brand positioning as the preferred choice for outbound and inbound visitors through its **going abroad finance business**. The number of going abroad finance customers increased by 6.00% compared with the end of the previous year, demonstrating the Bank's continued enhancement of its cross-border financial service capabilities.

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8 "Five-tier" refers to aligning strategic concepts, standardizing methodologies, refining supporting tools, integrating execution processes, and strengthening operational management. "Three-unified" refers to unified methodologies, unified tools and unified execution.

2.7.2 An Excellent Comprehensive Financing Bank

The Bank actively integrated into China's efforts to develop a modern industrial system by contributing to the development of new quality productive forces, focusing on advancing the "Five Priorities" in finance, and deepening its presence in five specialized areas. Leveraging ecosystem synergies, the Bank strove to achieve a leap in its comprehensive financing service capabilities from "leading" to "excellent". As at the end of the reporting period, the Group's comprehensive financing balance amounted to RMB15.47 trillion, representing an increase of 2.72% compared with the end of the previous year.

Deepening its presence in five specialized areas to forge differentiated market competitiveness. In terms of industrial finance, the Bank strengthened the foundation of industrial finance through industry research. Through surveys and customer visits, the Bank gained deeper insights into market demand and identified business opportunities. The Bank formulated industrial finance service solutions, established a pipeline of key projects, and provided differentiated policy support for high-quality customers. **In terms of supply chain finance,** the Bank advanced innovation in financing models that reduce reliance on the credit support of core enterprises while remaining anchored to their transaction ecosystems. It continued to conduct chain-based marketing targeting key customers and empowered financing services for upstream and downstream enterprises through measures such as order confirmation, closed-loop payment collection, control of goods ownership and digital post-lending monitoring. The Bank capitalized on business development opportunities among three major customer groups in the automotive sector, namely automobile manufacturers, dealers and suppliers, to advance integrated operations across the industrial chain. **In terms of capital markets,** the Bank focused on two key areas: the debt capital market and the equity capital market. During the reporting period, it underwrote 974 debt financing instruments with an underwriting volume of RMB425.099 billion, maintaining a leading market position. Capitalizing on opportunities arising from capital market reforms, the Bank provided enterprises with one-stop capital market solutions. **In terms of government finance,** the Bank leveraged CITIC Group's strengths in finance and the real economy and proactively aligned itself with regional development strategies to provide local governments with integrated financial advisory services covering strategic consulting, comprehensive finance financing support and introduction of industrial resources. **In terms of cross-border finance,** the Bank closely followed the national strategy of high-standard opening up, leveraged the three types of cross-border accounts (NRA/FT/EF) as the primary vehicles, and capitalized on its comprehensive services covering settlement, trading, financing and intelligence, to build a high-quality business development framework for cross-border business on all fronts. As at the end of the reporting period, the balance of the Bank's overseas loans amounted to RMB171.034 billion, representing an increase of 30.74% from the end of the previous year.

Leveraging synergies to build an integrated financing service platform. In terms of Group-wide collaboration, the Bank continued to strengthen collaborative customer acquisition efforts with CITIC Securities and CSC Financial Co., Ltd. in areas such as loans for share buybacks and shareholding increases by listed companies and bank-enterprise direct connectivity. As at the end of the reporting period, the Bank served 94.47% of the enterprises included in the first seven batches of national-level enterprises that use specialized and sophisticated technologies to produce novel and unique products and the first nine batches of manufacturing single-product champion enterprises. **In terms of parent bank-subsidiary collaboration,** leveraging the complementary advantages of parent bank and subsidiary licenses, the Bank deepened collaboration between branches and domestic and overseas subsidiaries, including CNCBI, CITIC Bank Financial Asset Investment, CITIC Financial Leasing and Altyn Bank in areas such as comprehensive financing, asset management, cash management, equity investment and financial leasing, to facilitate the efficient implementation of key projects. **In terms of collaboration,** the Bank continued to deepen collaboration with securities firms, leasing companies, insurance companies, asset management companies (AMCs), trust companies and overseas peer financial institutions, establishing a multi-level, broadly connected, and comprehensive cooperation matrix to achieve channel complementarity, resource sharing and value co-creation. During the reporting period, newly added matchmaking business under custody amounted to RMB55.074 billion. The Bank continued to strengthen the development of its private equity fund ecosystem. During the reporting period, newly registered equity funds under custody reached RMB77.337 billion.

2.7.3 An Excellent Investment and Trading Bank

Leveraging opportunities arising from the continued deepening of reforms in the financial markets, the Bank steadily strengthened the foundation for building an excellent investment and trading bank. While upholding its mission of serving the real economy, the Bank proactively adapted to cyclical changes and moved beyond traditional business models. Guided by a systematic, ecosystem-based, and integrated development approach, the Bank focused on four core areas: investment, agency business, asset management and custody business, and continued to develop an investment and trading service system featuring diversified collaboration, agility and efficiency, and professional excellence. The Bank enhanced its cross-market, full-category, and full-chain integrated operations and value creation capabilities across economic cycles on all fronts.

Strengthening proprietary investment and trading capabilities. The Bank continued to build core investment research and trading capabilities featuring global reach, multi-asset coverage and multi-strategy execution. The Bank enhanced its diversified asset allocation framework covering interest rates, credit, equities, alternative assets and fixed-income + products, continuously expanding its business footprint and exploring new growth potential. As at the reporting period, the Bank's proprietary investments in credit bonds and local government bonds increased by more than RMB120 billion compared with the end of the previous year, while its investments in market-oriented debt-to-equity swap projects reached RMB4.780 billion. **Upgrading comprehensive financial services for customers on all fronts.** The Bank implemented tiered customer development strategies, streamlined business management mechanisms, strengthened internal collaboration and support, and enhanced its comprehensive service platform ecosystem. It continued to improve refined customer management capabilities, steadily enhanced long-term business partnerships, and sustained growth in comprehensive revenue contribution. As at the end of the reporting period, the number of core financial institution customers served by the Bank exceeded 2,000. **Building a first-class professional asset management platform.** The Bank fully leveraged the professional operating advantages of CITIC Wealth Management. On the investment end, the Bank enhanced its investment research and trading capabilities across major asset classes. On the service end, it optimized the front-office and back-office collaboration model[9]. On the operational end, it advanced the development of strategy management platforms and digital and intelligent operations and maintenance, establishing a development model driven by both "multi-asset and multi-strategy portfolio investment" and "investment advisory services". As at the end of the reporting period, the assets under management (AUM) of wealth management products reached RMB2.49 trillion, representing an increase of 8.63% compared with the end of the previous year. **Unlocking the custody business's potential as a hub for business flows.** The Bank strengthened coordination and resource sharing between custody services and businesses such as agency sales and investment, continued to focus on product innovation and ecosystem-based operations, and expanded key areas of competitive strength, including mutual funds, pension finance, cross-border business, bank wealth management and trust services. As at the end of the reporting period, the Bank's assets under custody reached RMB19.41 trillion (including fund supervision business), representing an increase of 5.72% compared with the end of the previous year.

2.7.4 A Leading Payment and Settlement Bank

With the goal of becoming a "leading payment and settlement bank", the Bank consolidated the foundation of payment and settlement, updated its fund channeling platform, innovated scenario-based settlement products, and continuously enhanced its payment and settlement service level. During the reporting period, the transaction settlement amount reached RMB106.42 trillion, representing a year-on-year increase of 14.94%.

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[9] The Bank leverages its wealth management business as the "front office" and its asset management business as the "back office", supported by comprehensive asset allocation capabilities and multi-strategy investment capabilities, to build a full-spectrum CITIC wealth management product lineup and meet customers' comprehensive wealth management needs.

Accelerating the development of payment and settlement platforms. The Tianyuan Treasury platform, in line with the new treasury management requirements of the State-owned Assets Supervision and Administration Commission (SASAC), integrated key products such as "Anxin Pay" and achieved ecosystem-wide connectivity with mainstream enterprise resource planning (ERP) and expense management systems. The platform supported the implementation of multiple state-owned asset supervision projects, covering more than 600 state-owned enterprises. As at the end of the reporting period, the number of customers using the treasury platform exceeded 5,500, with transaction volume approaching RMB900 billion. The Bank enhanced the integrated business, finance, fund management and taxation functions of the Xiao Tianyuan platform to simplify customer operations and lower barriers to adoption. A professional version tailored for the service sector was launched, targeting customer groups such as law firms and accounting firms to achieve precise alignment between platform capabilities and industry-specific needs. As at the end of the reporting period, the platform had 348.0 thousand registered customers, with monthly active customers reaching 58.7 thousand.

Continuing to optimize the payment and settlement product experience. The Bank launched corporate payment products such as "Anxin Pay" and introduced order-linked payment mechanisms to cover the entire settlement process encompassing procurement, payment and reconciliation and integrate contracts, invoices, and funds. Leveraging the Tianyuan Treasury platform, the Bank provided enterprises with integrated business and financial settlement services. As at the end of the reporting period, the "Anxin Pay" recorded a cumulative settlement volume exceeding RMB10 billion.

Steadily establishing a closed-loop mechanism for customer fund acquisition and circulation across the Bank. Focusing on customer fund settlement, the Bank strengthened settlement awareness among all employees, improved Head Office-branch coordination mechanisms, enhanced integrated services combining payment, settlement and financing, continuously increased its settlement market share, and promoted the internal circulation of settlement funds, thereby providing strong support for the growth of demand deposits.

2.7.5 A Leading Cross-Border Service Bank

The Bank regarding "building a leading cross-border service bank" as an important strategic target, firmly implemented the national strategy of high-standard opening up, capitalized on historic opportunities arising from RMB internationalization and the Belt and Road Initiative (BRI), fully leveraged collaborative advantages of CITIC Group, and focused on building the full-chain, full-scenario, and full-lifecycle product portfolio and a cross-border financial service framework and system for enterprises' globalization with its cross-border comprehensive services featuring "settlement, transaction, finance and intelligence" as a cornerstone.

With cross-border settlement as the cornerstone, the Bank focused on global industrial chains and new forms of foreign trade, and worked to establish a cross-border settlement service system covering all scenarios and channels. The Bank actively supported the real economy through cross-border RMB settlement services. During the reporting period, cross-border RMB receipts and payments for trade in goods reached RMB187.640 billion, representing a year-on-year increase of 49.24%. The Bank continued to tap into customers' global industrial chains. Focusing on the comprehensive financial needs of enterprises expanding overseas, the Bank launched integrated cross-border financial service "cross-border cash pooling +". These solutions provided enterprises with online cross-border settlement services through multiple channels, with the Bank's global multi-bank services now covering 82 countries and regions. The Bank established a service system covering various scenarios, continued to introduce new service models, and consolidated its leading position in financial services for new forms of foreign trade, such as cross-border e-commerce platforms. The cross-border e-commerce platforms served by the Bank achieved a transaction volume of USD20.609 billion, serving 90.9 thousand merchants. During the reporting period, the Bank implemented foreign exchange business reforms within the expanded scope, advanced pilot programs for high-level trade integration, optimized the post-event monitoring system, and extended reform outcomes to customer management, thereby effectively balancing development and security.

With transaction services as linkage, the Bank focused on enterprises' core needs for exchange rate risk hedging and foreign currency conversion, strengthened the upgrading of online platforms and connectivity with financial markets, and built an agile and efficient ecosystem for cross-border transaction services. The Bank effectively met enterprises' needs for foreign currency conversion and exchange rate risk hedging. During the reporting period, the volume of agency foreign exchange settlement and sale reached USD141.493 billion, representing a year-on-year increase of 12.84%. The Bank rapidly iterated and optimized its online foreign exchange trading platform, "Forex Trading Express", with the number of contracted corporate customers reaching 14,568 and the cumulative foreign exchange transaction volume reaching USD225.469 billion. The Bank actively participated in the development of factor markets and promoted financial market connectivity. During the reporting period, the Bank was selected as one of the first six Chinese-funded banks participating in the pilot program for offshore RMB foreign exchange trading in the China (Shanghai) Pilot Free Trade Zone, maintained steady growth in its bond connectivity business, and further refined its comprehensive cross-border financial service system.

Driven by comprehensive financing, the Bank focused on various scenarios involving enterprises expanding overseas and leveraged non-resident account systems and free trade zone (port) platforms to build a multi-tiered cross-border financing service matrix. Centered on six major scenarios, including enterprises' participation in global supply chains, international trade, cross-border mergers and acquisitions, cross-border debt swaps, overseas engineering contracting and overseas fixed asset investment, the Bank increased credit support and provided portfolio-based services. As at the end of the reporting period, the balance of cross-border loans reached RMB171.034 billion, representing an increase of 30.74% compared with the end of the previous year, leading among Chinese joint-stock commercial banks as for the growth. Focusing on free trade zones (ports), the Bank explored business opportunities in cross-border and offshore businesses. As at the end of the reporting period, the Bank's assets allocated in free trade zones (ports) reached RMB72.530 billion, representing an increase of 40.43% compared with the end of the previous year.

With intelligent and advisory support as a key enabler, the Bank integrated professional resources both domestically and overseas, embedded relevant services at an early stage throughout the entire lifecycle of enterprises expanding overseas, and developed a value-added non-financial services platform. Leveraging its professional cross-border service teams, the Bank pooled together resources from domestic and overseas law firms, accounting firms, third-party consulting institutions and high-quality partner banks to proactively provide cross-border consulting services such as cross-border legal affairs, tax planning, financial advisory and business establishment. During the reporting period, the Bank helped customers overcome financing barriers involving less commonly traded currencies and navigate legal and regulatory restrictions in certain jurisdictions, reduced financing costs through professional tax planning, and provided intelligent and advisory support for their global expansion.

2.7.6 A Leading Digital and Intelligent Bank

The Bank steadfastly advanced the strategy of building strength in science and technology, committed to innovation-driven development, followed the guidance of business, and promoted deep integration of business, technology and data. Pursuing an information-based, digital, and intelligent path, the Bank made all-out efforts to build itself into a leading digital and intelligent bank and fostered new growth drivers and advantages for digital competition.

Pressing ahead with the transformation of the technology organizational structure to unlock synergies among business, technology and data capabilities. In terms of organizational reform, the Bank established the Data Management Center to centrally manage data governance and data asset management across the board and strengthen the foundation for data as a key factor of production. It adjusted the "domain-based" technology organizational structure and accelerated the development of the business-technology-data-intelligence integration platform 2.0. More than 93% of technology requirements were jointly developed with business units, enhancing requirement formulation efficiency by 34% compared with the end of previous year, while the quality and efficiency of requirement delivery continued to improve. **In terms of data management,** the Bank accelerated data governance initiatives, with the total number of enterprise-level data standards reaching 38.7 thousand. The Bank continued to improve long-term mechanisms for data asset management, upgraded its data asset management platform, and conducted in-depth exploration of data asset valuation and recognition on the balance sheet. **In terms of business empowerment,** key strategic projects progressed in an orderly manner. The Bank completed the development of core functions and smart contracts for its e-CNY project and took the lead in passing regulatory acceptance testing for this batch, with a planned launch in the third quarter. The Bank officially launched the next-generation core system project for subsidiaries (Tiangong), which is expected to significantly enhance global business capabilities after implementation. For the Xiao Tianyuan project, the Bank leveraged a competitive product analysis mechanism to launch a dedicated version for the service sector, completed the development of non-financial scenarios such as project management and office automation (OA), and provided customized payroll service solutions for key customers. For the Tianyuan Treasury platform, the Bank enhanced user experience and integrated key products such as "Anxin Pay", with more than 5,500 group customers cumulatively. The retail banking segment integrated the capabilities of intelligent customer service assistants "Xiaoxin" and "Axin", piloted intelligent interactive asset inquiry scenarios, and continuously improved the customer experience. The financial markets segment successfully launched the custody matchmaking platform, introduced the Southbound Bond Connect collateral management service, and became the first in the industry to launch China-Arab over-the-counter bonds. As at the end of the reporting period, it served assets under custody exceeding RMB19 trillion.

Comprehensively implementing the "AI+" initiative with "scenario-driven development + AI empowerment" as the core strategy. The Bank continued to advance AI development from "isolated experimentation" toward "systematic development and large-scale application". More than 1,900 AI application scenarios were implemented. **The intelligent infrastructure continued to be strengthened.** The Bank accelerated the expansion of computing power, deployed mainstream LLMs such as DeepSeekV4 and GLM5 in private environments, and responded to task requirements through an integrated computing power allocation mechanism. The comprehensive daytime computing utilization rate exceeded 85%. The Bank developed model service capabilities integrating training and inference, supporting multiple modalities, capabilities, model sizes and chip architectures. The Bank initiated the development of a knowledge engineering framework, integrating knowledge resources across all business segments, including corporate banking, retail banking and financial markets, and leveraged intelligent knowledge management to reduce operational costs and improve efficiency in services. **Significant progress was achieved in the development of key scenarios,** with the accelerated rollout of a range of intelligent applications, including intelligent marketing for corporate wealth management, intelligent generation of corporate credit investigation reports, intelligent quality inspection for corporate due diligence, automated generation of personal loan application materials, intelligent quality inspection of audio and video recordings for personal loan applications, and intelligent matchmaking for custody services. The Bank comprehensively launched the intelligent transformation of corporate banking processes, focusing on the "conversation-as-a-service" model and the matching of customers' comprehensive financial service needs. It upgraded its intelligent marketing support system, developed AI-enabled intelligent sales capabilities for wealth management products, strengthened wealth management as a growth driver, and provided frontline staff with more convenient and intelligent marketing tools. The retail banking segment steadily advanced the "Five Smart" AI project portfolio[10]. Focusing on key areas such as full-chain marketing, intelligent customer service, intelligent risk control, decision-making analysis and a unified knowledge base, the Bank deeply embedded AI applications into core retail banking processes, proactively developed LLM-based customer-facing service capabilities, and applied AI applications to 14 core scenarios during the reporting period. The financial markets segment strengthened core AI capabilities for quantitative investment. The Bank steadily advanced the development of foundational capabilities for the Intelligent Factor Center. The intelligent agent for quantitative strategies optimized an additional 10 trading strategies, with strategy development efficiency increasing threefold.

10 The "Five Smart" AI project portfolio refers to the "Smart Hub" customer marketing project, the "Smart Assistant" customer service project, the "Smart Shield" risk control project, the "Smart Analytics" decision-making analysis project and the "Smart Knowledge" for knowledge base development.

Special Column: Digital Finance

The Bank resolutely implemented the strategic plans on digital finance of the country, revamped the value chain across management, business and operations of the Bank through digitization, and further advanced digital finance to empower the other four priorities in finance, thereby continuously improving the quality and efficiency of digital financial services. As at the end of the reporting period, the Bank's balance of loans to core industries of the digital economy reached RMB285.162 billion, an increase of 15.55% compared with the end of the previous year, effectively boosting the development of the digital economy and relevant industries.

In the corporate banking segment, the Bank systematically advanced the digital and intelligent transformation of business processes and accelerated the scaled deployment of AI applications. **In terms of customer marketing,** the Bank leveraged Large Language Models (LLMs) to deeply integrate external market information with internally accumulated data, established a panoramic corporate customer profiling system, intelligently generated comprehensive corporate solutions, and precisely addressed customers' needs for comprehensive financial services. **In terms of customer services,** the Bank deepened a tiered and categorized customer management system, launched a centralized support platform for small and medium-sized customers, and supported centralized management of small and medium-sized customers through intelligent and digital development, further expanding the coverage of inclusive services and continuously improving the quality and efficiency of corporate customer services. **In terms of channel development,** the Bank comprehensively integrated customer-facing service capabilities across online banking, the mobile App, the "Xinqitong" mini program and the official WeChat account. Through omni-channel coordination, the Bank streamlined corporate service processes and enhanced the effectiveness of targeted services for enterprises.

In the retail banking segment, guided by the dual strategies of "AI + Finance" and "AI + People", the Bank focused on the intelligent development of core business scenarios and leveraged digital and intelligent technologies to upgrade business processes, enhance employee capabilities, and improve customer experience. **In terms of customer services,** the intelligent mobile banking assistant "Xiaoxin" delivered integrated services across all scenarios. The Bank continuously refined its service strategies based on customer journeys, achieving an AI-enabled issue resolution rate of 99.02%. The Bank expanded the application of AI-assisted customer calls, with the number of customers reached in the first half of the year exceeding that of the entire previous year, and improved customer service efficiency at a faster pace. The Bank developed an intelligent credit card assistant and established a closed-loop service process covering the entire customer journey, thereby reducing complaint handling time by 16% and successfully retaining more than 10,000 customers who intended to cancel their cards. **In terms of product optimization,** the Bank leveraged AI capabilities to upgrade personal lending processes and continuously enhanced intelligent risk control models through the integrated application of fund-flow mapping, device fingerprinting, biometric detection and other technologies, thereby enhancing both customer experience and risk management capability at the same time. **In terms of decision-making support,** the Bank advanced the development of public capabilities for intelligent retail banking data agents. It launched functions including intelligent attribution analysis, intelligent data query and interpretation, and intelligent reporting, supporting the transformation of management decision-making from "data presentation" to "data insights".

In the financial markets segment, the Bank closely aligned with major initiatives, including "refining proprietary investment and trading operations", "expanding customer-driven financial markets business", and "strengthening the custody ecosystem". As a result, progress was achieved in intelligent trading, customer services and product offerings. **In terms of intelligent trading,** the Bank advanced the development of digital and intelligent trading capabilities. The centralized quantitative platform recorded a transaction volume of RMB27.22 trillion, with an automated trading rate of 88.00% and an intelligent trading rate of 35.10%. **In terms of customer services,** the Bank strengthened digital capabilities for customer engagement, upgraded direct-connect foreign exchange trading, and launched 24/7 bond sales robots, further improving the quality and efficiency of customer services. **In terms of product offerings,** the Bank improved high-precision valuation models across all product categories. These models covered 60 subcategories across seven major product categories and were used to enhance valuation and pricing accuracy, enrich product offerings, and enable the Bank to meet customers' differentiated investment and financing needs through diversified products.

In the risk management segment, focusing on digital and intelligent management, the Bank continued to advance the development of an integrated, agile, and efficient risk control system. **In terms of risk monitoring,** the Bank launched an intelligent risk assistant, optimized and enhanced the risk cockpit, management dashboards and customized self-service risk reports, and improved its one-stop panoramic risk monitoring capabilities. **In terms of risk management and control,** the Bank further developed an enterprise-level risk management middle-office platform, optimized and upgraded risk control tools, continuously strengthened full-lifecycle model management, and enhanced the online processing, standardization and intelligent enablement of key stages throughout the risk management process. **In terms of the data foundation,** the Bank continued to expand and integrate diverse risk data from internal and external sources, strengthened data quality validation, and ensured the consistency, comparability and traceability of risk data standards, thereby laying a solid data foundation for the digital and intelligent transformation of risk management across the Group.

In the operations and management segment, the Bank prioritized three key areas: intensive operations, the e-CNY ecosystem, and operations-enabled business development, so as to advance digital transformation in operations. **In terms of intensive operations,** the Bank accelerated the implementation of the "Centralized Operations 2.0" project. Leveraging three core technology foundations, namely multimodal LLMs, RAG knowledge bases and intelligent rule engines, the Bank promoted the comprehensive integration of AI-assisted tools across the entire process chain covering business review, risk control and operations and management. The Bank developed a highly efficient operating model featuring "intelligent processing powered by LLMs, standardized processes undertaken by outsourcing partners, and complex tasks handled by specialized teams", providing strong support for intensive operations across the board. **In terms of the e-CNY ecosystem,** the Bank developed a three-pronged e-CNY ecosystem comprising core capabilities, products and cross-border applications. The Bank consolidated the development of core capabilities of operating institutions, proactively deployed distinctive products targeting government, business and retail customers, upgraded e-CNY settlement wallet functions, participated in the mBridge project, and continued to expand its e-CNY business scale and enhance customer-facing service capabilities. **In terms of operations-enabled business development,** the Bank deepened the integration of "business, data and operations" to unlock collaborative value. Focusing on four key scenarios, namely service collaboration, customer acquisition and traffic generation, settlement-driven growth, and distinctive account services, the Bank leveraged operational data to accurately identify potential customer needs and empowered frontline outlets to conduct marketing and customer referrals, transforming data insights into tangible productivity for customer acquisition and customer engagement.

2.8 Business Overview

2.8.1 Corporate Banking

During the reporting period, in its corporate banking business, the Bank remained committed to its founding mission of serving the real economy, focused on advancing the "Five Priorities" in finance, continuously increased support for major national strategies, key areas and weak links, actively promoted business transformation, and comprehensively enhanced customer service capabilities. As a result, it achieved steady progress in overall business operations and development.

During the reporting period, the Bank's corporate banking business registered operating income of RMB46.311 billion, a decrease of 0.05% year on year. It accounted for 46.51% of the Bank's operating income, a year-on-year decrease of 1.39 percentage points, the net non-interest income from corporate banking totaled RMB6.256 billion, accounting for 20.31% of the Bank's net non-interest income, a year-on-year decrease of 4.98 percentage points.

2.8.1.1 Customer Management

The Bank consistently adhered to a customer-centric approach, remained closely aligned with key directives for serving the real economy and advancing the "Five Priorities" in finance, and continuously improved its categorized and tiered corporate customer management system. Focusing on high-quality customer groups recognized by the state, the market and the industry, the Bank continued to carry out the "CITIC Services Benefiting 10,000 Enterprises" campaign to meet customers' comprehensive financial needs, promoting growth in both the scale and quality of customer development. As at the end of the reporting period, the Bank had 1,437.3 thousand corporate customers, representing an increase of 49.2 thousand compared with the end of the previous year. Among them, 342.5 thousand were basic customers[11] and 192.0 thousand were valid customers[12], representing increases of 1.9 thousand and 4.3 thousand, respectively, compared with the end of the previous year.

Major Customers

The Bank continued to implement a customer-specific approach in the management of major customers. Leveraging the Group's comprehensive strengths in both industry and finance, the Bank tailored comprehensive financial service solutions featuring "intelligence + financing + industry" to meet customers' needs. It implemented the chief customer manager system, under which the senior management took the lead in advancing customer management and addressing customers' key needs. The Bank further advanced industrial finance, conducted in-depth engagement with leading enterprises in industries such as power, semiconductors, pharmaceuticals and shipbuilding based on industry research, and provided innovative industry-specific financial services. Upholding the philosophy that "each large customer represents a customer acquisition platform", the Bank systematically promoted supply chain-based customer acquisition and tiered customer development along the equity chains of major customers, to better serve small and medium-sized enterprises within their industrial chains with major customers as business starting point.

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11 "Basic customers" refer to corporate customers with daily average deposit and wealth of RMB100,000 and above in the year.

12 "Valid customers" refer to corporate customers with daily average deposits and wealth of RMB500,000 and above in the year.

As at the end of the reporting period, the Bank's balance of loans to major customers[13] stood at RMB1,238.541 billion, representing an increase of 7.62% from the end of the previous year. During the reporting period, the daily average balance of deposits from major customers amounted to RMB1,420.701 billion, representing a decrease of 2.61% from the end of the previous year.

Government and Institutional Customers

The Bank continued to strengthen its position as "the best consulting bank for local government for finance". It provided government and institutional customers at different levels and of various types with comprehensive and professional financial service solutions, continuously strengthened partnerships with major customer groups in key fields, enhanced business operations along the capital chain, customer chain and information chain, and continuously increased the brand value of CITIC Bank in public-sector financial services.

During the reporting period, the Bank comprehensively deepened cooperation with governments, organized a series of activities themed "Into Government", and made ongoing efforts to strengthen its customer service network and expand its government service ecosystem. Maintaining its leading position among peers in fiscal services, the Bank was rated "Excellent" in all four assessments conducted by the finance authorities of the central government for the first time. As the first joint-stock commercial bank that signed a cooperation agreement with the Ministry of Commerce, the Bank continued to deepen government-enterprise collaboration in the business and trade sector. It played a positive role in practicing national strategies and advancing high-quality development. It helped address issues of concern to government authorities by providing end-to-end services for local government bonds, covering major national projects and key development fields such as municipal facilities and industrial parks, traffic infrastructure, urban village renovation, land reserve, new energy and new infrastructure, and participated in nearly 400 special-purpose bond issuance projects. The Bank leveraged its advantages in custody business and collaboration, and deeply participated in the management of government investment funds. It served governments at all levels to deliver "one-stop government services", and expanded its presence in government affairs service scenarios, including public finance, social security, housing provident funds, medical insurance, and education.

As at the end of the reporting period, the Bank had 107.0 thousand accounts of government and institutional customers[14], representing an increase of 2.2 thousand, or 2.11%, from the end of the previous year. During the reporting period, the daily average balance of deposits from government and institutional customers amounted to RMB1,479.266 billion, representing an increase of RMB59.941 billion, or 4.22%, from the end of the previous year.

13 The list of major customers mainly consists of leading enterprises functioning as the pillars of national economy, manufacturing single-product champion enterprises, high-market-value listed companies, etc. Data for the reporting period and at the beginning of the period have been adjusted according to the changes in the customer list. During the reporting period, the scope of statistics was adjusted based on the latest customer list, and the increase was calculated based on the adjusted figures at the beginning of the reporting period.

14 Due to the need for corporate customer management, the Bank reclassified and adjusted the existing government and institutional customers, and the increase was calculated based on the adjusted figures at the beginning of the reporting period.

Small and Medium-sized Customers

Upholding the operating logic of targeting "10, 100, 1,000, and 10,000 Customers"[15] and the business philosophy of "attaching equal importance to quantity and quality", the Bank strengthened top-level design and systematically advanced the comprehensive services for small and medium-sized customer groups.

During the reporting period, the Bank strengthened cooperation and coordination with the Ministry of Industry and Information Technology, the Ministry of Agriculture and Rural Affairs, the National Development and Reform Commission, the All-China Federation of Industry and Commerce, the All-China Federation of Supply and Marketing Cooperatives and other institutions. It formulated dedicated service solutions for key customer groups, as well as work plans for the integration of corporate and personal banking services and the integration of corporate banking and operational functions. The Bank optimized the "Thousand Enterprises, Thousand Profiles" intelligent marketing reports, reviewed and refined key products and services with strong suitability for small and medium-sized customers and strong settlement-driven capabilities, and launched exclusive wealth management products for small and medium-sized enterprise customers and distinctive wealth management products for enterprises that use specialized and sophisticated technologies to produce unique and novel products. It strengthened the promotion and coverage of products such as Xiao Tianyuan and corporate wealth management, and conducted a series of thematic activities, including the Small and Medium-sized Enterprise Service Month, the "CITIC Services Benefiting 10,000 Enterprises" campaign, "Visit to HKEX" and "Visit to SZSE". These initiatives continuously enhanced the Bank's comprehensive service capabilities for small and medium-sized customers and achieved tangible results.

As at the end of the reporting period, the Bank had 330.8 thousand small and medium-sized customers[16], representing an increase of 1.3 thousand customers from the end of the previous year. The daily average balance of deposits from small and medium-sized customers stood at RMB963.168 billion, representing an increase of RMB10.910 billion compared with the end of previous year.

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15 Targeting ten most valuable customers unanimously recognized by local banks, 100 core customers with major contribution to profits, 1,000 basic customers that maintain sound cooperative relations with the Bank, and 10,000 settlement customers that maintain regular exchanges with the Bank.

16 "Small and medium-sized customers" refer to corporate customers with daily average corporate deposits and wealth between RMB100,000 (inclusive) to RMB50 million (exclusive) in the year, with the base figure at the beginning of the reporting period adjusted accordingly, with the increase calculated based on the adjusted figures at the beginning of the reporting period.

2.8.1.2 Businesses and Products

Special Column: Inclusive Finance

During the reporting period, the Bank firmly upheld the political and people-oriented nature of financial work and fully supported the development of small and micro enterprises through high-quality financial services.

Continuously strengthening policy transmission. The Bank promptly studied, communicated, and implemented national strategies and key regulatory policies. It convened quarterly meetings of the Working Group for Inclusive Finance and Rural Revitalization. The Bank fully implemented interest subsidy policies for loans to business entities in the service sector and fixed asset loans to micro, small and medium-sized private enterprises, maintaining the stability and continuity of policy support. **Continuously improving the product portfolio.** The Bank standardized full-lifecycle product and system management and advanced the integration of supply chain business. On the basis of strengthened compliance management, the Bank actively promoted the migration of business processes and relevant functions to online and self-service channels. **Continuously conducting targeted marketing.** The Bank leveraged the "Five Dedicated and Five Strengthened Measures"[17], further advanced the financing coordination mechanism for small and micro enterprises and carried out a wide range of marketing campaigns, including the "Strong Chain Action". **Continuously strengthening risk management.** The Bank improved its risk compliance policy framework, enhanced risk control strategies and review and approval standards for key businesses, revised policies and procedures such as post-lending management measures, optimized digital risk control models and strategies for inclusive finance, maintained prudent risk tolerance, implemented the mechanism of exempting personnel from liability where due diligence has been exercised, and actively supported loan renewal arrangements.

As at the end of the reporting period, the balance of the Bank's loans to small and micro enterprises[18] amounted to RMB1,902.630 billion, representing an increase of RMB112.612 billion compared with the end of the previous year. The number of customers with outstanding loan balances reached 329.6 thousand. The balance of inclusive loans to small and micro enterprises[19] stood at RMB655.352 billion, representing an increase of RMB11.046 billion compared with the end of the previous year. The number of customers with outstanding inclusive loan balances reached 311.6 thousand. During the reporting period, the Bank effectively promoted a steady reduction in overall financing costs for small and micro enterprises and maintained asset quality at a relatively favorable level.

17 The "Five Dedicated and Five Strengthened Measures" are divided into the following two parts. The "Five Dedicated Measures" at the Head Office level refer to establishing a dedicated task force, formulating dedicated plans, optimizing dedicated products, organizing dedicated activities, and providing dedicated supporting policies. The "Five Strengthened Measures" at the branch level refer to strengthening overall coordination and promotion, strengthening communication and alignment, strengthening proactive outreach, strengthening implementation, and strengthening ongoing services.

18 "Loans to small and micro enterprises" refer to loans to small and micro enterprises, as well as operating loans to self-employed individuals and small and micro business owners.

19 "Inclusive loans to small and micro enterprises" refer to loans to small and micro enterprises, as well as operating loans to self-employed individuals and small and micro business owners, with a total credit extension of less than RMB10 million (inclusive) per borrower.

Investment Banking Business

As a key pillar in the Bank's efforts to build itself into an excellent comprehensive financing bank, the investment banking business actively served the real economy, keenly identified and capitalized on market opportunities, and continued to upgrade its product and service system, further strengthening its market position and core competitiveness. During the reporting period, the Bank recorded RMB1.06 trillion in financing through its investment banking business.

In terms of bond underwriting, the Bank continuously improved the full-chain integrated service system for the debt capital market, and built CITIC as the first choice for bond financing. During the reporting period, the Bank underwrote 974 debt financing instruments, with a total underwriting volume of RMB425.099 billion, maintaining a market-leading position in both metrics[20]. The Bank continued to expand its presence in key bond categories aligned with the "Five Priorities" in finance, with its underwriting volumes of sci-tech innovation bonds, green bonds and pension bonds ranking among the highest in the market.

In terms of capital markets business, the Bank remained committed to serving the real economy as the fundamental purpose of capital market operations, focused on the core needs of listed companies in pursuing high-quality development, and provided comprehensive financing services throughout the full lifecycle of listed companies, developing industry-leading capabilities in comprehensive capital markets services. Closely aligned with national initiatives to promote the stable and sound development of the capital market, the Bank actively supported the market value management needs of listed companies. As at the end of the reporting period, the Bank announced a cumulative total of 152 loans for share repurchases and shareholding increases, with a total announced amount of RMB20.963 billion. Both metrics ranked first among joint-stock commercial banks[21].

In terms of merger and acquisition (M&A) business, the Bank implemented the new requirements under the *Administrative Measures for M&A Loans of Commercial Banks*, strengthened its business framework, and continuously enriched service scenarios. The Bank actively leveraged M&A financing services to support enterprises in sci-tech innovation, industrial upgrading, and transformation and development, while facilitating the state-owned enterprise reform and the revitalization of existing assets. During the reporting period, the Bank extended loans of RMB43.305 billion to M&A business, an increase of 14.22% year on year.

Special Column: Technology Finance

The Bank thoroughly implemented the Party Central Committee's decisions and plans. Relying on CITIC Group's comprehensive advantage of "full licenses in finance and wide coverage in industries", the Bank systematically advanced institutional optimization and capacity building and established a service mechanism better aligned with sci-tech innovation. Through these efforts, the Bank sought to develop technology finance with distinctive CITIC characteristics.

20 According to the data of Wind Information.
21 According to the data from the announcements made by listed companies.

In terms of institutional development, the Bank continued to improve its matrix-based management system comprising "Head Office and branch-level technology finance departments, pioneer sub-branches and technology sub-branches". The Bank enhanced investment research capabilities through regular industry research and built professional operating teams featuring specialized expertise, dedicated operations and tailored services. It strengthened comprehensive supporting policies for technology finance, established long-term operating mechanisms, and directed more internal resources toward the technology sector.

In terms of customer group management, the Bank deepened tiered planning and segmented customer management and built a higher-quality, more valuable tiered customer portfolio of technology enterprises. The Bank further strengthened its customer base under the technology finance business. It further strengthened service engagement with national-level enterprises that use specialized and sophisticated technologies to produce novel and unique products and manufacturing single-product champion enterprises. As at the end of the reporting period, the Bank served 94.47% of the enterprises in the first seven batches of national-level enterprises that use specialized and sophisticated technologies to produce novel and unique products and the first nine batches of manufacturing single-product champion enterprises.

In terms of product innovation, fully leveraging CITIC Group's strengths in comprehensive operations, the Bank improved its diversified and relay-style service system with seamless support around key application scenarios, technology factors, and pre-IPO development, providing one-stop solutions throughout the full lifecycle of technology enterprises.

In terms of the private equity ecosystem, with the successful establishment of CITIC Bank Financial Asset Investment, the private equity investment ecosystem was further refined. Leveraging the advantages of investment-lending linkage, the Bank injected new momentum into its commitment to making long-term investments in early-stage, small-scale and core-technology enterprises. The cooperation mechanism of the CITIC Equity Investment Alliance continued to deepen. Through team integration, project referrals, and ecosystem collaboration with CITIC-affiliated investment institutions, the Bank continuously expanded its cooperation with invested enterprises, thereby further leveraging CITIC's unique advantages in collaborative operations.

In terms of digital and intelligent development, the Bank launched the "Polaris" digital assessment platform for technology enterprises, which extensively covered technology enterprises. The platform uses an optimized model to generate a tiered assessment framework, providing digital support for precise customer profiling, agile service delivery and innovation in technology finance products.

International Business

The international business of the Bank followed the philosophy of providing "professional, prompt, flexible and safe" services, and continuously made efforts in the three areas of customer service, product innovation and digital upgrades, steadily promoting high-quality development in both scale and quality.

The Bank deepened customer services and empowered the cross-border ecosystem in a targeted manner. Centering on customer needs, the Bank prioritized cross-border customer management and built a comprehensive service system through Head Office-branch collaboration, optimized product policies, and enhanced compliance and internal control processes. The Bank carried out targeted marketing campaigns and customer visits focusing on themes such as global operations of enterprises expanding overseas and free trade finance, continuously optimized its customer structure, and further consolidated the foundation for cross-border business development. As at the end of the reporting period, the number of accounts opened under the three types of cross-border accounts (NRA/FT/EF) exceeded 10,000 for the first time and reached 10.1 thousand accounts.

The Bank focused on product competitiveness, stabilized foreign trade, and strengthened cross-border financial service capabilities. The Bank continuously enhanced cross-border supply chain and trade finance application scenarios, and drove rapid growth in international trade financing. As at the end of the reporting period, the balance of international trade finance amounted to RMB45.687 billion, representing an increase of 77.50% compared with the end of the previous year. The Bank established a market-leading cross-border product matrix covering a wide range of product categories. During the reporting period, the Bank launched innovative distinctive products, including medium- and long-term credit insurance-backed factoring, online international reverse factoring, and credit insurance-backed forfaiting, further expanding global financing channels for enterprises.

The Bank promoted digital upgrades and reshaped the cross-border service experience. The Bank launched the "Cross-border Express Remittance" comprehensive service solution, which incorporates various scenario-based automated remittance products and creates a new cross-border payment ecosystem featuring intelligent processing, second-level verification and rapid fund receipt. During the reporting period, the number of transactions under the "Cross-border Express Remittance" increased by 159.10% year on year. The Bank introduced the "Capital Treasure+" digital services for capital account transactions, comprehensively expanded online service scenarios for capital account businesses, and enabled enterprises to complete the entire process online without filling out paper documents or visiting bank counters. During the reporting period, the number of contracted customers for the "Capital Treasure+" increased by 70.31% year on year.

Supply Chain Finance

The Bank regarded supply chain finance as an important means of supporting the real economy and continued to improve its supply chain finance product matrix. It established a supply chain finance service system covering multiple industries and application scenarios. During the reporting period, the Bank served 35.4 thousand customers with financing needs, with the supply chain financing volume reaching RMB910.761 billion.

Deepening engagement with key industry customer groups. Leveraging its integrated customer management capabilities across the automotive industry chain, the Bank strengthened domestic and overseas financing, bill, and foreign exchange settlement services for manufacturers; increased financial support for new energy vehicles and commercial vehicles for distributors; and leveraged digital means to identify customers among leading enterprises and emerging sectors within the supply chain and expanded financial support. Meanwhile, the Bank actively captured business opportunities arising from the rapid development of industries such as consumer electronics, retail chains and the internet, thereby driving business growth.

Strengthening the development of core products. The Bank basically established a product portfolio covering all supply chain scenarios and continuously optimized its flagship products. The Bank upgraded its asset pool and enriched scenario-based bill applications, providing supply chain customers with digital and convenient bill management services to enhance user experience. The Bank also strengthened its domestic bank guarantee service capabilities and launched the innovative digital management tool "Guarantee Receipt Manager".

Asset Custody Business

The Bank focused on key areas of the asset custody business to make targeted efforts. It leveraged its role as a transaction settlement hub for the custody business, internally connected the value chain, externally captured business flows from asset management, and efficiently empowered the ecosystem-based operations of asset management, corporate, and cross-border customer segments. As at the end of the reporting period, the Bank's assets under custody reached RMB19.41 trillion (including fund supervision business)[22], representing an increase of 5.72% from the end of the previous year.

22 The statistical scope excludes subsidiaries, and the increase is calculated based on the adjusted data at the beginning of the reporting period.

Focused on core business areas, the Bank achieved steady growth in assets under custody. For mutual funds, the Bank prioritized the development of key product categories, including money market funds, equity funds, exchange-traded funds (ETFs) and bond funds. As at the end of the reporting period, mutual funds under the Bank's custody reached RMB3.06 trillion, representing an increase of more than RMB120.0 billion compared with the end of the previous year. For securities firm and trust businesses, the Bank capitalized on market opportunities and proactively expanded its presence in potential business areas. The trust assets under custody exceeded RMB4 trillion for the first time, representing an increase of more than RMB400.0 billion compared with the end of the previous year. The Bank continued to strengthen its leading position in cross-border custody business by launching one of the first custody services for insurance funds under the Southbound Bond Connect program in China and becoming the first Chinese custodian bank directly connected to the Korean market. As at the end of the reporting period, cross-border custody business reached RMB551.610 billion. For the insurance business, the Bank enhanced the integration of internal resources, strengthened asset matchmaking, and actively pursued insurance asset management mandates so as to continuously enhance its market competitiveness.

Focused on the three key areas of operations, risk control and technology, the Bank strengthened its core fundamental capabilities to provide solid support for the steady development of the custody business. In terms of operational capabilities, the Bank established a centralized custody operations center at the Head Office to advance standardized, centralized, product-based and intelligent operations on all fronts, significantly improving operational efficiency. In terms of risk control capabilities, the Bank continuously improved the full-process internal control and risk management system for custody business. To accelerate the implementation of the new regulatory requirements under the *Measures for the Supervision and Administration of Custody Business by Commercial Banks (Trial)*, the Bank formulated more than 10 custody business policies and operating procedures and established a risk prevention and control network covering the entire business chain. In terms of technology empowerment, the Bank accelerated the digital and intelligent transformation of custody business and strengthened the application of technology in areas including operations and management, risk monitoring, and customer services. The "Data Connectivity" module was launched, enabling intelligent sorting, parsing, entry and verification of data across scenarios such as over-the-counter instructions, net asset value, transactions and TA, with a manual work replacement rate exceeding 50%.

Wealth Management for Corporate Customers

The Bank worked to build a leading wealth management service system for corporate customers, and vigorously drove the sustainable development of corporate wealth management business. During the reporting period, **the product portfolio was continuously enriched**. The Bank strengthened cooperation with leading wealth management companies, securities firms and fund companies in the market to enhance its core and distinctive product lines. For its core product line, the Bank focused on promoting Changying money market products as a foundation to underpin product sales growth, while non-money market products were categorized into three series, namely low-volatility, medium-volatility, and high-volatility products, and sales capabilities for medium- and long-term products and equity-related products were enhanced. For its distinctive product line, the Bank continued to strengthen sales of products aligned with the "Five Priorities", including technology finance, green finance and inclusive finance. The Bank deepened collaboration with branches, developed localized wealth management brands with regional characteristics, and accelerated the sales of foreign currency-denominated wealth management products. **Brand and team building was steadily advanced.** The Bank held the "Corporate Wealth Management Festival", during which it sold more than RMB65.654 billion of products and served over 4.8 thousand customers. As part of the festival, customer salons themed "Building the Road to Wealth Together" and "Approaching CITIC Wealth Management" were organized. **Digital and intelligent transformation was further deepened.** The Bank enriched its intelligent messaging matrix for corporate wealth management products, enabling automated reminders at key points throughout the entire process, including subscription and purchase confirmation, periodic opening windows and the crediting of redemption proceeds. It also enhanced the digital dashboard for corporate wealth management on its mobile marketing platform (MPP), enabling customer managers to dynamically track customers' holdings, product settlements and transaction records, and further strengthened its capabilities for refined customer management through digital tools.

As at the end of the reporting period, the Bank served 45.9 thousand corporate wealth management customers, representing an increase of 723 customers compared with the end of the previous year. The Bank's corporate wealth management products reached RMB428.507 billion, representing an increase of 23.70% compared with the end of the previous year.

2.8.1.3 Risk Management

The Bank adhered to a prudent and sound risk appetite. In pursuit of high-quality development, the Bank coordinated the implementation of all key initiatives in risk management, strengthened risk prevention and control system, continued to optimize its credit structure, further reinforced credit process management and professional team development, and visionarily provided financial supports in key areas and conducted risk prevention and control works.

Keeping abreast of the macroeconomic landscape, national policies, regulatory guidance, and its strategic plans, the Bank formulated its credit policies that were closely aligned with the priorities of economic development during the 15th Five-Year Plan period. The Bank proactively guided business units to strengthen financial services for major strategies and key areas, with a focus on "Three Areas and Five Scenarios" fully advanced the "Five Priorities" in finance, and served the expansion of domestic demand, consumption recovery and high-standard opening-up. Focusing on technological innovation and industrial innovation, the Bank expanded new quality productive forces based on local conditions, and actively supported the development of a modern industrial system. The Bank continued to strengthen industry research. The Bank continuously improved its industry research mechanism from the perspectives of system development, dynamic management and performance appraisal, strengthened the development of industry research teams at the Head Office, and encouraged branches to proactively conduct research tailored to local market conditions, thereby providing more precise marketing guidance for frontline business operations. These efforts enabled the Bank to establish a new asset allocation framework that balances business opportunities and risk management, with flexible adjustments in response to market changes.

Strengthening pre-lending credit access controls, the Bank reinforced the primary responsibilities of the first line of defense for pre-lending investigations and strictly implemented pre-lending due diligence requirements. The Bank intensified enterprise classification management, strictly reviewed customers' financing needs, and accurately identified the de facto controllers of enterprises in accordance with the management measures for unified and group credit extension, ensuring that pre-lending investigations were accurate, comprehensive and compliant. The Bank actively promoted the application of the national micro, small and medium-sized enterprises (MSMEs) cash flow credit information sharing platform, and made fund-flow credit information a mandatory and preferred input rather than an optional one. By expanding application scenarios for cash flow credit information, the Bank established dynamic profiles of MSMEs, accurately identified their operating conditions and credit risks, and developed a sound credit risk management mechanism for them.

Enhancing in-process credit review and approval management, at the credit review and approval stage, the Bank worked to balance risk control and business development. Closely aligned with the key tasks of economic development during the 15th Five-Year Plan period, the Bank actively advanced the "Five Priorities" in finance and placed greater strategic emphasis on serving the real economy and fostering and strengthening new quality productive forces.

Effectively implementing proactive credit reduction and exit measures, the Bank intensified efforts to reduce credit exposure to high-risk enterprises, including those with inefficient and outdated production capacity, so as to strictly control risks arising from new credit extensions. Based on the characteristics of risk customers, the Bank established a list of negative characteristics for customers subject to credit reduction and exit to accurately identify or recognize such customers and make risk prevention more forward-looking.

As at the end of the reporting period, the balance of corporate loans (excluding discounted bills) of the Bank was RMB3,265.342 billion, an increase of RMB204.089 billion from the end of the previous year. The NPL ratio was 1.04%, unchanged from the end of the previous year. The Bank's corporate loan asset quality remained generally stable.

2.8.2 Retail Banking

The Bank closely aligned with market development trends. Adhering to the operation logic of retail banking, the Bank enlarged its customer base, strengthened products, optimized channel potential and improved service experience, providing customers with comprehensive "financial + non-financial" services.

During the reporting period, the Bank's retail banking business registered operating income of RMB37.865 billion, a decrease of 0.64% year on year, accounting for 38.03% of the operating income of the Bank. Net non-interest income from retail banking was RMB9.990 billion, an increase of 9.48% year on year, accounting for 32.44% of the net non-interest income of the Bank, of which net non-interest income from credit card business was RMB5.012 billion, accounting for 16.28% of the net non-interest income of the Bank.

2.8.2.1 Customer Management

The Bank adhered to high-quality customer acquisition and high-value operations, and continuously advanced the retail operation system to promote constant growth in the scale of retail customers. As at the end of the reporting period, the Bank had 156 million personal customers, an increase of 2.37% from the end of the previous year.

In terms of tiered management of customers, the Bank continuously reinforced the tiered management system for retail customers, strengthened empowerment with digital tools and professional business expertise, and fully enhanced tiered customer services to realize the chain-like customer upgrade mechanism from ordinary customers, wealthy customers, VIP customers to private banking customers.

For ordinary customers[23], the Bank continued to advance a customer journey-oriented operating model characterized by the collaboration between the Head Office and branches. The Head Office adopted an intensive management model for key customer groups such as agency payroll payment customers through online channels including App and outbound calls. Meanwhile, branches assigned high-potential customers to frontline teams for dedicated relationship management to jointly improve effective customer reach and marketing conversion rates. During the reporting period, 664.6 thousand ordinary customers were upgraded to wealthy customers or above[24], an increase of 3.88% year on year.

For wealthy customers and VIP customers[25], the Bank adopted a differentiated operation strategy of expanding the base of wealthy customers while deepening the engagement with VIP customers, improved the service reach and efficiency for wealthy customers through an "AI + WeCom + Remote" approach, strengthened two core capabilities of "chain-based upgrade and asset allocation", and continuously enhanced the customer service experience. As at the end of the reporting period, the Bank had 5,069.8 thousand wealthy customers and VIP customers, an increase of 3.66% from the end of the previous year. During the reporting period, 13.2 thousand VIP customers were upgraded to private banking customers, an increase of 9.84% year on year; 169.7 thousand wealthy customers were upgraded to VIP customers or above, an increase of 7.28% year on year.

For private banking customers[26], the Bank adhered to a customer-centric business philosophy. Catering to the comprehensive needs of high-net-worth customers in wealth preservation and appreciation, family legacy, corporate development and social responsibility, the Bank continued to build and improve a comprehensive financial and non-financial service system covering the full life cycle, connecting domestic and overseas markets and integrating diversified values. It advanced the coordinated growth in private banking business scale and customer value. As at the end of the reporting period, the number of private banking customers recorded 104.9 thousand, an increase of 8.58% from the end of the previous year. The average daily balance of AUM per month of the Bank's private banking customers reached RMB1.49 trillion, an increase of 9.36% from the end of the previous year.

In terms of grouped management of customers, the Bank, relying on ecological scenarios, provided comprehensive "financial + non-financial" services to key customer groups such as pension customers, going abroad customers and Generation Z customers, consistently improving the brand image of a caring retail bank.

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23 "Ordinary customers" refer to personal customers whose average daily balance of AUM per month is less than RMB50,000.

24 Due to the Bank's refined internal management needs, the statistical scope for the indicator of "ordinary customers upgraded to wealthy customers or above" was adjusted during the reporting period, and the growth rate was calculated based on the adjusted figures at the beginning of the reporting period.

25 "Wealthy customers" refer to personal customers whose average daily balance of AUM per month is more than RMB50,000 (included) and less than RMB500,000; "VIP customers" refer to personal customers whose average daily balance of AUM per month is more than RMB500,000 (included) and less than RMB6,000,000.

26 "Private banking customers" refer to personal customers whose average daily balance of AUM per month reaches RMB6,000,000 or above.

In terms of management of pension customers, the Bank continuously enriched its products and services to meet the retirement needs of customers of different ages and at different stages. The Bank promoted "social security +" and "medical insurance +" pension services and a four-pronged trust pension service integrating banking, insurance, trust and industry, continuously carried out investment education and public awareness campaigns on pension finance, released the *Report on the Development of Pension Wealth Management of Chinese Residents* for the fourth consecutive year, and provided customers with customized pension planning solutions.

In terms of management of going abroad finance customers, the Bank continued to strengthen the branding of its cross-border financial services and build the Bank into the "preferred choice for both outbound and inbound visitors". The Bank strengthened ecological collaboration and deepened cooperation with embassies of foreign countries in China, international card organizations and other partners to upgrade the differentiated service system. It launched Apple Pay support for its foreign-currency card products, allowing cardholders to add their cards to Apple Pay and make payments and accelerated innovations in mobile payment. It strengthened its specialized service advantages and maintained its status as the only authorized financial institution for U.S. visa services. Meanwhile, it optimized products including foreign exchange settlement, foreign currency investment and multi-currency debit cards to improve customer experience. As at the end of the reporting period, the Bank had 14,545.5 thousand going abroad financial customers, an increase of 6.00% from the end of the previous year.

In terms of management of Generation Z customers, the Bank enhanced popular card products tailored to younger customers, such as the "Photo Card", and launched Year of the Horse zodiac-themed cards. The Bank focused on consumption scenarios including shopping, travel, entertainment and catering, and launched the "Yanka" (good-looking card) series credit card products. As at the end of the reporting period, the Bank had 22,987.3 thousand Generation Z customers[27].

2.8.2.2 Business and Products

Wealth Management Business

Centering on customers' core needs and adhering to a value-oriented business philosophy, the Bank seized market opportunities, continuously upgraded its investment research, product selection and asset allocation systems, enhanced its comprehensive wealth management service capabilities, and provided customers with asset allocation solutions throughout the entire cycle. As at the end of the reporting period, the balance of retail wealth management products was RMB1.54 trillion, an increase of 0.93% from the end of the previous year. The holdings of non-monetary funds reached RMB157.361 billion, an increase of 22.92% from the end of the previous year. The number of customers holding funds with equity exposure reached 731.7 thousand, an increase of 5.09% from the end of the previous year. The scale of insurance agency sales remained among the top joint-stock commercial banks.

[27] "Generation Z customers" refer to personal customers aged between 18 (inclusive) and 30 (inclusive).

In line with evolving customer needs, the Bank adhered to a market-wide product selection strategy to enrich the supply of diversified products.

In terms of wealth management, the Bank further advanced the "fixed income +" transformation and launched "Wenrui +", a premium "fixed income +" wealth management brand. Products were categorized into three series based on risk-return profiles: "Stability and Low Volatility", "Stable Appreciation" and "Stable Enhancement". The strategies covered segments such as IPO subscriptions, multi-asset allocation, domestic equity and low-volatility quantitative investment, and continuously provided customers with high-quality and diversified wealth management products. As at the end of the reporting period, the balance of "fixed income +" wealth management products increased by 105.48% from the end of the previous year.

In terms of fund business, the Bank partnered with leading fund companies to develop four strategic product brands, namely "Stable Profits", "Steady Progress", "Leading the Trend", and "Dynamic Growth". It focused on selecting low- to medium-volatility "fixed income +" funds, high-quality newly launched equity funds, and sector- and index-oriented funds, while placing greater emphasis on absolute return strategies and enhancing customers' investment outcomes and experience.

In terms of the insurance business, the Bank collaborated with high-quality insurance companies to build a protection product system addressing customers' needs for health, retirement and wealth succession, and continued to enrich the types of insurance products under agency sales. Through technical empowerment, scenario-based activities and professional services, the Bank enhanced the business value while maintaining a healthy business structure. During the reporting period, long-term protection-oriented products accounted for 83.83% of product sale volume, an increase of 19.70 percentage points year on year.

In terms of the precious metals business, responding to residents' needs for diversified asset allocation, the Bank focused on two major product lines of gold accumulation and physical gold, enriched product functions, improved user experience and helped customers in rational allocation of gold as a major asset category. During the reporting period, sales volume of the precious metals business rose by 596.63% year on year.

In terms of personal deposits, the Bank continued to optimize customer transaction experience of deposit products in key scenarios such as elderly care and parent-child activities. For customers' diversified needs such as asset preservation, renewal upon maturity and scheduled savings, the Bank offered a comprehensive portfolio of deposit products across a full range of product categories and maturities, such as personal large-denomination certificate of deposit, time deposit certificate, and notice deposit. As at the end of the reporting period, the Bank's personal deposit balance was RMB1,666.720 billion, an increase of 5.35% from the end of previous year.

The Bank focused on the differentiated management needs for tiered customer segments, optimized the asset allocation service system, and strengthened professional service capabilities.

The Bank constantly strengthened capacity building for asset allocation. Centered on customer needs, the Bank focused on aspects such as customer insight, professional investment research, allocation methodologies, digital tools and accompanying services, to build a full-process service system covering the stages prior to, during and after asset allocation, driving the transformation of wealth management services from single-product sales to asset allocation. Leveraging the collaborative investment research advantages of CITIC Group, the Bank continuously improved the systems for macroeconomic research, major asset allocation and product research, and enriched asset allocation methodologies including the "Four-Season Portfolio". The Bank also upgraded digital asset allocation tools to enhance the professionalism, standardization and systematic development of its wealth management services, thereby delivering more comprehensive and long-term wealth management services for customers.

Empowered by AI digital technology, the Bank upgraded full-process intelligent services and reshaped the model of wealth management services.

Driven by large language models and intelligent agent technologies, the Bank continued to build an intelligent service system featuring in-depth collaboration between AI and manual services. The Bank continuously upgraded "Xiaoxin", an intelligent digital wealth advisor, further expanding its service scenarios and capability boundaries. On the one hand, it enriched the service scenarios of "Xiaoxin". Based on existing services, its business coverage was gradually extended to all services related to deposit, loan and remittance scenarios, including account management, payment and settlement, and credit consulting. On the other hand, the Bank strengthened proactive service capabilities. Through tools such as customer profiling and journey mapping, it identified customer needs and provided personalized services such as account irregularity handling and market fluctuation interpretation. During the reporting period, "Xiaoxin" served over 8.76 million customers, with an AI-enabled problem resolution rate of 99.02%. In terms of remote channel operation, the Bank's remote customer service center continued to deepen the collaborative service paradigm of "manual service + AI + WeCom". Relying on the integrated remote operation platform, the Bank applied large and small models to real-time demand identification and prediction, and intelligently generated service scripts. It realized seamless collaboration and efficient service diversion between manual agents and AI assistants, and flexibly tailored service models to diverse business scenarios, ensuring that customers received consistent, professional and real-time responses via online channels. As at the end of the reporting period, the manual answer rate of all remote online channels reached 95.38%; the manual response rate within 20 seconds stood at 83.13%, and the customer satisfaction rate hit 98.85%.

Personal Loan Business

The Bank resolutely implemented national and regulatory policy requirements, made solid progress in advancing the "Five Priorities" of finance, and implemented various policies such as boosting consumption. Targeting the development of a value bank, the Bank promoted high-quality development of personal loan business. As at the end of the reporting period, the Bank's personal loan balance (excluding credit card loans) was RMB1,809.574 billion, representing a decrease of 1.69% from the end of the previous year.

In terms of personal housing loans, the Bank actively implemented the country's policies on stabilizing real estate, continuously built a work mechanism for internal coordination, strengthened cooperation through key channels, optimized and upgraded business strategies and processes, supported residents' reasonable housing needs, and promoted the building of a new model for real estate development. As at the end of the reporting period, the balance of personal housing loans was RMB1,088.005 billion, an increase of 0.03% from the end of the previous year.

In terms of personal business loans, focusing on the real economy and inclusive business, the Bank continued to optimize the loan renewal service model, took thorough and solid steps to deepen customer management and services, refined policies and processes for personal inclusive products, and enhanced the availability and accessibility of financial services for micro and small-sized businesses. As at the end of the reporting period, the balance of personal inclusive loans was RMB426.081 billion, representing an increase of 0.27% from the end of the previous year.

In terms of personal consumer loans, the Bank carried out consumer credit business centering on the "two majors, one minor, and one brand"[28]. It continuously enriched the supply of consumer finance products, refined product policies, enhanced customers' credit experience, and lowered customers' financing cost. The Bank continued to strengthen basic consumer finance capabilities, particularly digital risk control capabilities, for the high-quality and sustainable development of consumer finance business. As at the end of the reporting period, the balance of personal consumer loans was RMB232.760 billion.

Credit Card Business

The credit card business of the Bank focused on high-quality, sustainable development. The Bank built a quality scenario ecosystem centering on the high-frequency areas related to people's rigid demands and livelihood, i.e., food, accommodation, transportation, entertainment, and shopping, with high quality as the foundation and structure as the guidance, and enhanced the precise matching of customer needs, product offerings and consumption scenarios. The Bank pressed ahead with high-quality customer acquisition and refined operations, accelerated technological innovation and digital transformation, and fully leveraged the important role of credit cards in "boosting spending, expanding domestic demand, and improving people's well-being", to further enhance people's sense of gain, happiness and security.

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28 "Two majors" refer to two major consumption scenarios of automobile and housing, "one minor" refers to low-value consumption scenario via internet platforms, and "one brand" refers to comprehensive consumption with "CITIC Instant Loan" as the main brand.

The Bank optimized new business growth. The Bank deeply cultivated scenario-based ecosystems, refined product layout, and consolidated the foundation for high-quality growth. **In terms of customer acquisition,** the Bank forged the capability of "large-scale customer acquisition from the source" based on the development of high-quality scenarios, and improved customer mix through optimization of channel structure. As at the end of the reporting period, the proportion of high-quality customer acquisition in food, accommodation, transportation, entertainment, and shopping scenarios increased to 57.39%, while the proportion of cold call acquisition[29] continued to decline. **In terms of products,** the Bank continuously improved the differentiated product and benefit matrix focusing the scenarios concerning people's daily life and special customer groups, enhanced its engagement in high-frequency areas related to people's rigid demands and livelihood, i.e., food, accommodation, transportation, entertainment, and shopping, and expanded the scenarios related to national retail chains and local benefits. It made dedicated upgrades for key customer groups such as seniors and students studying abroad. For the "Happy Years" card, it upgraded the travel and health care benefits preferred by this customer group; for the "Junior Trip" card, it upgraded the benefit package which meets the rigid demand of cross-border traveling customer group, so as to support the growth of its target customer segment through refined product enhancements.

The Bank enhanced management of existing business. The Bank strengthened multidimensional coordination, deepened tiered customer management across customer segments, and further unlocked the value potential of its existing customer base. **In terms of scenario-based operation,** the Bank optimized and upgraded the full-cycle customer experience for overseas card usage prior to, during, and after overseas trips, and launched themed marketing campaigns such as the overseas spending rewards campaign that offers cashback on overseas purchases. During the reporting period, overseas transaction volume reached RMB8.040 billion, representing a year-on-year increase of 4.56%. The quality and efficiency of cross-border scenario operation improved steadily. **In terms of interest-earning asset management,** the Bank pushed forward scenario-based development of interest-earning assets, boosted conversion efficiency via proprietary channels and tapped the incremental potential of external channels. It strengthened capabilities to formulate and implement targeted strategies for different customer tiers and groups to drive structural optimization. Centering on trending themes, the Bank carried out a wide range of installment marketing campaigns to fully meet diversified consumer finance needs of credit card customers. **In terms of customer services,** adhering to the service philosophy of excellence and authenticity, the Bank deepened the development of the human-machine collaboration system and rolled out AI applications including training robots, data dashboards and intelligent work orders. Supported by the integrated platform, the Bank broke the limits of traditional one-on-one services and delivered 24/7 customer relationship management services via the WeCom channel. **In terms of digital and intelligent empowerment,** the Bank formed a closed-loop service process covering customer journeys, service identification, intelligent interaction and effectiveness verification, shortening the customer complaint handling cycle by 16%. The Bank also established dual intelligent lines of defense powered by knowledge graphs and computer vision, introduced dozens of new risk response strategies, and extended risk controls to billions of customer interactions across all channels.

As at the end of the reporting period, the balance of credit card loans of the Bank was RMB453.190 billion. During the reporting period, the transaction volume via credit cards recorded RMB1,031.875 billion.

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[29] "Cold call acquisition" refers to the traditional customer acquisition model in the industry, namely, marketing staff proactively visit or directly contact potential customers for sales.

Private Banking Business

Focusing on high-net-worth customers' needs for comprehensive services under private banking business, the Bank continuously improved a tiered and grouped management system featuring intensification, differentiation and specialization, and strove to become an excellent wealth management bank. By enhancing professional service capabilities, expanding scenario ecosystems, optimizing asset allocation and strengthening digital and intelligent empowerment, the Bank achieved steady growth in business scale and optimized asset allocation structure to further consolidate the foundation for high-quality development.

The Bank consolidated the system foundation for professional management. The Bank continuously deepened the tiered and grouped management system for private banking customers, improved the intensive operation mechanism for private banking business, and stepped up professional capacity building of the service team. Supported by systematic capabilities, the Bank strengthened insight into customer needs and steadily enhanced comprehensive customer service capabilities featuring "Five Expertise". By expanding coverage and improving efficiency of intensive operation of private banking centers, the Bank achieved steady growth in the intensive operation coverage rate, customer retention rate and operational efficiency of private banking customers.

The Bank served the real economy with a focus on key customer groups. Deeply aligning with national strategies to support the development and growth of the private economy and expand high-standard opening up, the Bank focused on the multi-dimensional needs of entrepreneur customers in areas such as personal services, intergenerational succession, corporate transformation and upgrading, and global business expansion. It strengthened internal collaboration, integrated onshore and offshore service resources, and supported the high-quality development of private enterprises. As at the end of the reporting period, the Bank cumulatively served more than 20 thousand entrepreneur customers.

Diversified allocation created long-term value. Adhering to the philosophy of balanced allocation, the Bank enriched the supply of multi-strategy products to meet customers' differentiated needs. The Bank improved the closed value loop of "research – selection – allocation", strengthened product strategy evaluation and post-investment management, and promoted regular asset allocation through account reviews. The number of customers meeting asset allocation standards maintained steady growth. The Bank upgraded the "investment management + structure design" dual-driven service model for family trusts, and introduced customized structures to satisfy personalized demands of customers, unlocking business potential at an accelerated pace.

Improved service quality and efficiency through digital intelligence. The Bank boosted the integration of online and offline channels, continued to develop the remote service brand, Diamond Manager, and leveraged digital and intelligent tools to improve the efficiency of customer demand response. It revamped and upgraded mobile banking to the private banking premium version, optimized online service workflows, and enriched investment research information support to improve customer service experience. As at the end of the reporting period, the online service coverage rate of private banking customers rose by 14.86 percentage points from the end of the previous year.

Pension Finance Business

Special Column: Pension Finance

The Bank thoroughly implemented the spirit of the Central Financial Work Conference. Leveraging CITIC Group's advantages of "full financial licenses and wide industrial coverage", the Bank contributed to the building of the national multi-level, multi-pillar pension insurance system, continuously optimized the "Happiness+" pension finance service system, and improved the quality and efficiency of pension finance. During the reporting period, the Bank deepened services in three areas: pension finance, elderly care service finance, and elderly care industry finance.

Pension finance. Supporting financial services were continuously enhanced for the first pillar of the pension system. The Bank actively supported the Ministry of Human Resources and Social Security in developing digital services, optimized supporting financial services, and steadily delivered services including social security account management, social security fund deposits, and benefit disbursements. It obtained qualifications to issue social security cards in more than 80 areas at prefecture-level and above, with the number of social security cards issued continuing to grow. **The service scale under the second pillar of the pension system achieved rapid growth.** The Bank continued to improve its business model for pension finance custody, adopted multiple measures to acquire customers, conduct training and outreach, and promote its brand, and enhanced and expanded its annuity business. As at the end of the reporting period, the scale of pension finance assets under custody reached RMB650.146 billion, an increase of 9.68% compared with the end of the previous year. **The service capabilities under the third pillar of the pension system were continuously enhanced.** The Bank accelerated the upgrade of its business model of private pension finance, and established an omni-channel operating framework for private pension business, integrating branch services, remote services, the mobile app and collaboration across the financial holding group. It launched central government bond products for private pension accounts, and continued to improve financial product offerings. As at the end of the reporting period, the Bank had 3,250.6 thousand private pension accounts in cumulative.

Elderly care service finance. The Bank continuously optimized the "financial + non-financial" service system, **innovatively adopted comprehensive elderly care service solutions**, and continuously promoted mature service models catering to customers' elderly care needs at different ages and stages. It provided "social security +" and "medical insurance +" elderly care services for customers, as well as four-pronged trust-based elderly care services integrating banking, insurance, trust and industry. In partnership with Tsinghua University, the Bank continued to develop a team of pension finance planners, providing customers with comprehensive, professional and customized pension solutions throughout the entire lifecycle. **In respect of channels, the Bank upgraded functions for pension finance services.** During the reporting period, it upgraded the "Pension Account Book 3.0", the industry's first online wealth planning tool tailored for retirees, to help elderly customers systematically manage their pension funds, and support steady appreciation and effective transfer of retirement wealth. **The Bank continuously enriched the ecosystem of health and wellness services** and upgraded healthcare services to support online health reserve assessment, generate protection plans, and access offline medical assistance services such as accompaniment to medical appointments. The Bank continuously expanded residents' options for elderly care, and created services under the theme of "institutional elderly care, travel-based elderly care, and home-based elderly care". **The Bank continued to carry out investor education campaigns on pension finance.** It deepened strategic cooperation with the China National Committee on Ageing, jointly compiled professional publications including *Guide to Wealth Management for Elderly Customers* and *The Era of Longevity: How to Manage Your Retirement Pension*, which were included in the *Series of Educational Books on China's National Conditions of Population Aging*. The Bank launched the "Elderly Reading Program" and rolled out video courses on finance for the elderly, setting a benchmark for age-friendly financial education. As at the end of the reporting period, the Bank served 32,240.8 thousand personal pension finance customers, an increase of 5.77% from the end of the previous year.

Elderly care industry finance. In light of national strategic plans and industrial development orientation, the Bank continued to build a "finance + industry" elderly care service ecosystem, and further improved the supporting framework covering policies, systems and supporting resources. During the reporting period, the Bank set annual plans and targets for loans to elderly care industry, continued to provide credit support policies, strengthened the management of business tags, optimized relevant system functions, and organized training programs for the empowerment of the elderly care industry loan business, with a focus on enhanced financing services in key sectors such as elderly care institutions, pharmaceutical manufacturing, and medical devices. As at the end of the reporting period, the balance of elderly care industry loans reached RMB2.640 billion, an increase of 6.88% from the end of the previous year.

2.8.2.3 Risk Management

Risk Management of Personal Loans

The Bank continuously optimized the "business + risk" joint prevention and control mechanism, strengthened full-process management of credit extension, and enhanced independent customer acquisition and risk control capabilities. It proactively adjusted product structure, regional structure and customer group structure, accelerated the development of digital risk control capabilities, built a professional risk control team, and deepened the application of digital and intelligent risk control technologies across the entire business process. These efforts improved overall operational efficiency and risk resilience and empowered the high-quality development of personal loan business. **In terms of containing new risk formation,** the Bank continued to strengthen proactive risk management and control for personal loans, accelerated the iteration of risk control models and strategies, and deepened the application of internal ratings. It rigorously prevented operational risks, optimized the loan portfolio and contained newly arising risks at source. **In terms of the existing loan portfolio,** the Bank enhanced near-maturity management, retained high-quality customers and proactively exited business with risk customers. It concentrated resources to step up collection efforts, while pressing ahead with risk mitigation and resolution in a steady and orderly manner.

In terms of personal housing loans, the Bank strengthened the access and management of cooperative channels, consolidated the joint prevention and control mechanism of business and risk lines, and strictly guarded against systemic risks and fraud risks. For individual loans, the Bank extensively applied application scorecards for proactive customer screening and risk control, continuously enhanced anti-fraud capabilities, and strengthened the verification of transaction authenticity. **In terms of personal business loans,** focusing on serving the real economy, the Bank reinforced city-specific differentiated policy support, steadily enhanced independent customer acquisition capabilities, increased the proportions of new customer lending and high-quality customer groups with medium and high scores, and fully strengthened the management and retention of existing customers. It strengthened the political and people-oriented nature of financial work to meet the reasonable needs of existing customers for loan renewal. **In terms of personal consumer loans,** the Bank continuously optimized the full-process risk control system and built an integrated mechanism for closed-loop risk control before, during and after lending. The Bank leveraged internal rating models, big data models, relationship graphs, device fingerprinting, biometric probes and other technologies to continuously optimize the intelligent risk control strategy system, strengthen customer access management, and upgrade intelligent fraud detection capabilities. It established a multi-dimensional and multi-level monitoring and early warning mechanism, and continuously enhanced risk identification capabilities through digital tools.

As at the end of the reporting period, the balance of non-performing personal loans (excluding credit card loans) of the Bank totaled RMB19.063 billion, an increase of RMB0.115 billion from the end of the previous year. NPL ratio was 1.05%, up by 0.02 percentage points from the end of the previous year.

Risk Management of Credit Card Business

The Bank continued to build full-process digital risk control capabilities, advancing both risk prevention and business development. **First,** the Bank strictly controlled customer access standards, remained guided by target customer segments, continued to deepen a four-pronged new customer risk strategy covering "regions, scenarios, industries, and customer groups" and safeguarded asset quality through strengthened risk controls at source. During the reporting period, high-quality customers accounted for 85.33% of the customers with newly issued cards, a year-on-year increase of 0.63 percentage points[30], demonstrating continuously improving asset quality. **Second,** the Bank optimized the credit structure, prioritized high-quality interest-earning scenarios, and steadily raised the proportion of low-risk, high-quality assets. As at the end of the reporting period, the performing loans held by low-risk, high-quality customer groups accounted for 78.50% of the total performing credit card loans[31], an increase of 2.31 percentage points compared with the end of the previous year. The structure of existing assets continued to improve. **Third,** the Bank strengthened management during the loan extension process, expanded the application of multi-dimensional external data to effectively identify high-risk customer groups, intensified targeted control and exit of high-risk tail assets, and reduced risk costs. **Fourth,** the Bank further strengthened in-house collection capabilities, improved the collection efficiency and post-NPL operation and management efficiency, and took multiple measures to reduce NPLs, ensuring that overall asset quality remained stable and controllable.

As at the end of the reporting period, the balance of the Bank's non-performing credit card loans amounted to RMB11.645 billion, a decrease of RMB472 million compared with the end of previous year; the NPL ratio was 2.57%, a decrease of 0.05 percentage points from the end of previous year.

2.8.3 Financial Markets Business

Amid a complex and volatile domestic and international economic and financial environment, the Bank has always closely followed national policy orientation, adhered to the fundamental mission of serving the real economy, and upheld a "dual wheel-driven" model of profitability and empowerment for its financial markets business. Focusing on professional specialization and higher-quality ecosystem development, the Bank continued to reinforce its operating foundations, unlock its growth potential and sharpen its ability to navigate economic cycles. During the reporting period, the Bank achieved targeted breakthroughs in five core areas: customer management, asset allocation, liability management, market making, and custody services. It further optimized the integrated operational system for interbank customers and consolidated the core business foundations for proprietary RMB and foreign currency investment and trading, agency business and sales services, and the value-linking role of custody services. Meanwhile, it proactively seized market opportunities, optimized business structure, strengthened risk prevention and control, and improved operational efficiency. Centering on the core objectives of "stabilizing operation, controlling costs, increasing income and boosting contributions", the Bank continued to unlock business value and solidify the foundation for long-term and sustainable development.

[30] Customer group standards were adjusted in accordance with the updated customer classification criteria, and increase was calculated based on adjusted data at the beginning of the period.

[31] Referring to the share of performing loan principal held by high-quality customers of lower risks to the total principal of credit card performing loan principal.

During the reporting period, the financial markets segment of the Bank recorded operating income of RMB14.084 billion, an increase of 12.15% year on year, accounting for 14.15% of the Bank's total operating income. Net non-interest income from the financial markets segment amounted to RMB13.462 billion, an increase of 10.75% year on year, representing 43.71% of the Bank's total net non-interest income.

2.8.3.1 Customer Management

During the reporting period, the Bank continued to deepen systematic, refined, and ecosystem-based management of interbank customers. Through tiered and categorized customer management and cross-line collaboration, the Bank continuously unlocked value from interbank customers, consolidated partnerships with strategic customers, enhanced capabilities of providing standardized services for small and medium-sized customers, and continuously enhanced customer stickiness.

In terms of customer management, the Bank adopted a tiered and categorized management approach, and implemented targeted measures based on customer tiers, business scale and cooperation potential. The Bank deepened full-scope cooperation with top strategic customers, and kept fostering cooperation scenarios and expanding cooperation dimensions for small and medium-sized interbank customers. Leveraging its comprehensive product portfolio, the Bank vigorously promoted cross-selling and integrated service offerings for interbank customers, broke down the boundaries of single-business cooperation, upgraded customer engagement from cooperation in individual business areas to diversified and comprehensive partnerships, and continuously increased customers' overall contribution.

In terms of platform ecosystem, relying on the "CITIC Interbank +" platform, the Bank intensified development of ecosystems covering asset management and bond business. With intelligent empowerment from AI investment research and advisory services, the Bank established a three-pronged comprehensive service system including product supply, trading services and intelligent investment advisory, so as to continuously improve customer service experience and deepen cooperation. As at the end of the reporting period, the "CITIC Interbank +" platform had 3,248 signed customers, an increase of 51 customers from the end of the previous year. During the reporting period, the cumulative transaction volume of the platform reached RMB1.36 trillion, an increase of 9.68% year on year.

2.8.3.2 *Business and Products*

Forex Business

The Bank continued to reinforce its role as a core market-maker in the interbank forex market, effectively boosted market liquidity and maintained a top-tier market-making ranking. Following national policy orientation, the Bank actively supported the two-way opening-up of the forex market. It was among the first Chinese-funded banks to join the pilot program for offshore RMB forex trading in the China (Shanghai) Pilot Free Trade Zone successfully completed transactions across all product categories, steadily enhancing its offshore RMB pricing capability. The Bank participated in cutting-edge market innovations and successfully launched pioneering transactions in the interbank market, including RMB-settled foreign currency pair digital options and newly introduced transactions in Nordic currency pairs. It further improved the currency trading service system under the Belt and Road Initiative, offering direct trading between RMB and more than 20 foreign currencies. The relevant transaction volume rose by 89.70% year on year. Meanwhile, the Bank refined service models and workflows for cross-border institutional investors and developed one-stop comprehensive solutions for cross-border asset allocation. Staying committed to serving the real economy, the Bank focused on corporate customers' needs for exchange rate risk hedging, expanded the matrix of forex hedging products, and conducted targeted outreach to promote the concept of exchange rate risk neutrality. It provided professional forex steward services for micro, small and medium-sized enterprises to effectively strengthen their capabilities to withstand exchange rate fluctuations. During the reporting period, the Bank's forex market-making transaction volume reached USD1.98 trillion, while the Bank maintained strong overall market competitiveness and service influence.

Bond Business

Based on its functional positioning in bond business, the Bank faithfully fulfilled its responsibility to serve the real economy, steadily improved the quality and effectiveness of its services in support of national strategies, and demonstrated its responsibility and commitment as a state-owned financial enterprise. Taking bond investment as the starting point and following policy guidelines for stabilizing growth and expanding investment, the Bank deeply explored bond financing needs of the real economy, increased investment in the bonds associated with the "Five Priorities" of finance, and channeled bond funds to strategic sectors and emerging industries. Relying on its role as a core market-maker, the Bank kept providing fair pricing benchmarks and stable liquidity support for the secondary market. The transaction volume of technology finance-themed bonds surged by more than six times year on year. Meanwhile, the Bank further expanded the standardized interest rate derivatives market, conducted regular two-way quotation and transactions, and continuously invigorated market liquidity. Driven by business innovation, the Bank launched distinctive products including bond baskets and spread trading to meet diversified allocation needs of domestic and overseas investors. It offered high-quality "Swap Connect" quotation and trading services for overseas institutions to facilitate cross-border connectivity of the bond market. In addition, the Bank steadily expanded over-the-counter bond business for financial institutions to support the development of a multi-tiered bond market. During the reporting period, the Bank's transaction volume of bonds and interest rate derivatives reached RMB9.48 trillion, representing a year-on-year increase of 64.61%.

Money Market Business

By conducting RMB and foreign currency bond repurchases, interbank lending, and the issuance of interbank certificates of deposit, the Bank actively facilitated market funding, diligently fulfilled its role as a primary dealer in open market operations, and strongly supported the short-term financing needs of various financial institutions, including small and medium-sized commercial banks, securities firms, and finance companies. Meanwhile, the Bank proactively contributed to the development of innovative trading mechanisms at the China Foreign Exchange Trade System and Shanghai Clearing House. It successfully launched the market's first foreign currency pledged repo collateral bond substitution business, helping improve the efficiency of capital circulation and resource allocation in the market. During the reporting period, the Bank recorded a cumulative transaction volume of RMB20.69 trillion in its money market business, an increase of 47.05% year on year.

Precious Metals Business

The Bank further expanded its precious metals business, with a focus on serving the real economy, and continuously strengthened its core competitiveness in comprehensive services and market-making transactions for precious metals. For industrial chain customers, based on the stable operation of customer-facing gold products, the Bank expanded silver-related services to fully meet corporate customers' needs for leasing, value preservation and risk hedging. The Bank steadily enhanced the quality of its exchange-based market-making business, maintained a position in the industry's top tier by market-making volume in the price inquiry market of the Shanghai Gold Exchange, and obtained qualification as a market maker for precious metals futures on the Shanghai Futures Exchange. The Bank optimized cross-market and cross-product trading strategies in light of market conditions to steadily boost profit contribution from the precious metals business. During the reporting period, the Bank's precious metals market-making transaction volume reached RMB1.09 trillion.

Bills Business

The Bank aligned its bill business with requirements for high-quality development of financial services for the real economy, and continued to give play to the strengths of bills as a small-value, high-frequency and inclusive financing instrument. With a focus on broadening corporate financing channels and reducing financing costs for the real economy, the Bank strove to expand inclusive bill financing and deliver solid financial services to the real economy. During the reporting period, the Bank handled RMB721.068 billion of direct bill discounting, serving 11,891 corporate customers cumulatively. Among them, 8,823 were micro and small enterprises, accounting for 74.20% of the total.

Asset Management Business

The asset management business is the bridge and hub for the Bank to build a "wealth management – asset management – comprehensive financing" value chain. The Bank's subsidiary, CITIC Wealth Management, leverages the advantages of synergy within the CITIC Group and collaboration between the parent bank and subsidiaries, as well as its own asset organization and investment management capabilities to continuously forge an all-round asset management business line with core competitiveness, a full range of products, wide customer coverage and leading comprehensive strength, and strives to build itself into a world-class enterprise with an all-around asset management business.

During the reporting period, CITIC Wealth Management adhered to a customer-centric business philosophy, fully responded to investors' increasingly diverse wealth management needs, and **stepped up efforts to expand its offering of products with equity exposure.** As at the end of the reporting period, the balance of products with equity exposure reached RMB637.904 billion, an increase of RMB300.443 billion from the end of the previous year, with the share of such products among new products rising from 14.70% to 25.57%. It **accelerated the development of investment research capabilities** and built a buy-side equity research system. Through the practical workflow of "in-depth research, customer verification, strategy follow-up", it established three-dimensional judgment capabilities covering macro markets, meso-level industries and micro enterprises. It further explored investment opportunities in segmented sectors, aiming to build company-level beta driven by investment research, and foster distinctive and differentiated competitiveness in investment research. It **strengthened AI application capabilities,** focusing on AI applications in core areas including investment research analysis, intelligent trading and customer services. It built an enterprise-level intelligent agent management platform to advance in-depth integration of technology and business. It **actively developed wealth management products to advance the "Five Priorities" of finance.** As at the end of the reporting period, the balance of the "Blue Intelligence" technology-themed products reached RMB5.918 billion, and that of the ESG-themed products reached RMB15.230 billion. It continuously expanded its "Finance + Charity" innovation model, with the balance of charity wealth management products reaching RMB18.734 billion. During the reporting period, four "Caring for Children" wealth management products matured, generating charity donations of RMB3,176.9 thousand, with all proceeds directed toward public welfare projects in children's education and healthcare.

As at the end of the reporting period, the total AUM of wealth management reached RMB2.49 trillion, representing an 8.63% increase over the end of the previous year. During the reporting period, the Bank generated investment returns of RMB21.929 billion for customers. The number of customers holding wealth management positions reached 12.2830 million, an increase of 6.53% from the end of the previous year.

2.8.3.3 Risk Management

Risk Management of Financial Markets Business

The Bank continuously optimized the embedded credit risk approval mechanism for interbank customers, enhanced the effectiveness of credit risk control over interbank customers, and continuously strengthened the credit risk management system for financial markets businesses. The Bank also clarified requirements for concentration limit management, improved mechanisms for investment decision-making and position management, and enhanced risk monitoring for key industries and sectors. At the same time, the Bank's bond portfolio was mainly composed of central government bonds and local government bonds, with progress steadily made in credit bond investment. During the reporting period, bond issuers maintained sound credit profiles.

Risk Management of Asset Management Business

During the reporting period, CITIC Wealth Management adhered to the core principles of "risk orientation, value leadership and technology empowerment", and firmly safeguarded the red line of compliance and the bottom line of preventing systemic risks. CITIC Wealth Management further improved its comprehensive risk management system. Guided by comprehensive risk management policies and centered on the strategic priority of consolidating the first growth curve and fostering the second growth curve, it continuously optimized risk appetite indicators and threshold settings to align with product structure adjustment and asset allocation strategies, and ensure dynamic adaptation between risk management capabilities and business development. CITIC Wealth Management enhanced risk governance efficiency by deeply embedding risk management throughout the business chain spanning sales, production, research, investment and control, and giving full play to the guiding role of professional committees. It improved the functions of the "1+4" risk and internal control committee and its sub-committees, advanced full-process risk governance covering forward-looking judgment, risk control and risk resolution, and strengthened the value of risk management in guiding business development. CITIC Wealth Management bolstered risk control capabilities in key areas. Focusing on core risks including credit risk, market risk, liquidity risk and operational risk, it realized early detection, early warning and early resolution of risks through key risk indicator monitoring and dynamic stress testing assessment, thereby effectively addressing market volatility amid geopolitical conflicts.

As at the end of the reporting period, the underlying assets of new products managed on a net asset value basis by CITIC Wealth Management were classified as performing assets, and asset quality remained stable.

2.8.4 Distribution Channels

2.8.4.1 Retail Online Channels

Mobile Banking APP

During the reporting period, the Bank continued to enhance the service capabilities of its mobile banking app with a focus on customer experience. The Bank further unlocked the value of its digital channels and upgraded customer experience across three key areas: capacity building, product innovation and customer management. **In terms of capacity building,** the Bank continued to refine core service scenarios of the mobile banking app, enhanced customer journey-centric operation capabilities, achieved unified journey orchestration across all channels and established a closed-loop evaluation mechanism across channels, thereby strengthening the foundation for sustained customer management. **In terms of product innovation,** the Bank enhanced product feature analysis indicators and enriched product information presentation through functions such as multi-dimensional comparison, portfolio analysis and maturity rollover, thereby reducing customers' decision-making costs. The Bank continuously optimized recommendation algorithms across product categories, developed featured product sections, upgraded intelligent product selection tools, and leveraged digital recommendation capabilities to improve channel conversion and operational efficiency. The Bank also collaborated with fund institutions to establish a coordinated customer management ecosystem, improved customer services in the long term in scenarios such as the income center and portfolio holdings, and enhanced customer loyalty through professional services throughout the entire lifecycle. **In terms of customer management,** with the goal of delivering a premium customer experience, the Bank continued to improve its membership benefits system and strengthen the foundation for tiered customer management. Regarding exclusive experience, the Bank enriched going abroad finance benefits and introduced quarterly benefit programs. Regarding the benefits system, the Bank restructured its tiered framework around key scenarios in finance, health, mobility, lifestyle, and family life to enhance the visibility and recognition of core benefits. Regarding service journeys, the Bank optimized end-to-end processes, improved supporting services, and enhanced convenience and overall customer experience. Through a systematic membership benefits framework, the Bank strengthened its core competitiveness in customer management. As at the end of the reporting period, the number of MAUs of the Bank's mobile banking app reached 17,643.6 thousand.

Mobile Card Space App

During the reporting period, with the goal of "better understanding customers, better understanding services, and better understanding scenarios", the Bank leveraged the Mobile Card Space app as its primary platform to establish an integrated capability system encompassing product experience enhancement, scenario-based ecosystem operations and intelligent operations. The Bank continued to strengthen the foundation for management of existing credit card customers and enhance customer trust and long-term value realization. **In terms of product experience and service capabilities,** the Bank focused on enhancing the end-to-end card usage experience and improved user efficiency and service quality through the continuous integration and optimization of key processes, including bill management, account inquiries and customer services. **In terms of scenario-based ecosystem development and business conversion,** the Bank continued to enhance its service capabilities across everyday-life scenarios, optimized content presentation and the user experience of benefit usage processes, actively explored content-driven customer engagement, and refined the end-to-end customer management journey process from content outreach to transaction conversion. The Bank launched themed card designs and organized the "Super Brand Day" series of marketing campaigns to enhance overall marketing effectiveness and conversion efficiency. **In terms of intelligent human-machine collaboration,** the Bank introduced human-machine collaboration mechanisms in key card usage scenarios to enable real-time identification of customer needs and pain points and provide tiered responses, delivering human assistance and care. The Bank enhanced the in-depth integration of the customer service assistant "Xiaoxin" with service scenarios of the Mobile Card Space app, boosting its proactive service capabilities. As at the end of the reporting period, the number of MAUs of the Bank's Mobile Card Space app reached 18,154.8 thousand.

Remote Customer Management Service Center

During the reporting period, the Remote Customer Management Service Center of the Bank upgraded its "Human + AI + Enterprise Wechat" customer outreach model by introducing LLM reasoning capabilities to identify customers' personalized needs and enhance the efficiency of remote wealth management services. The Bank piloted the "virtual customer manager" service model, leveraging the advantages of multi-channel, standardized, and centralized operations to establish engagement and conversion pathways at customer journey drop-off points. During the reporting period, the Remote Customer Management Service Center proactively reached out to customers more than 100 million times, reaching over 20 million customers.

Open Banking

During the reporting period, the Bank advanced the development of open banking and the scenario-based ecosystem. Through standardized, modular and light docking solutions (including but not limited to API, SDK, H5 and WeChat Mini Program), it embedded financial/non-financial services into third-party cooperation scenarios and introduced third-party services to promote the rapid output of retail banking, inclusive finance, corporate banking and other characteristic products and services, and the efficient introduction of external resources from cooperative platforms. During the reporting period, the Bank jointly developed scenarios such as account opening, wealth management, payment and bill payment with industry partners through standardized product components, serving more than 40 million person-times and recording more than RMB370 billion in cumulative transactions.

2.8.4.2 *Corporate Online Channels*

During the reporting period, the Bank continued to optimize and upgrade its fund settlement service platforms to enhance customer experience. With the goal of delivering more convenient and user-friendly services, the Bank continued to promote online processing of **corporate banking services**. Currently, the Bank has supported online signing for 125 corporate products, reducing the need for customers to visit outlets in person. The Bank continuously enhanced basic settlement services to improve efficiency, based on "simple operation and high efficiency", shortening the processing time for ordinary small-value interbank transfers to the level of seconds. The Bank accelerated the integration of its online banking services with external ecosystems, connecting with 11 leading third-party platforms, including Feishu and DingTalk, to provide corporate customers with a service experience featuring business-finance integration. The Bank continued to enhance the "financial + non-financial" integrated service capabilities of its **mobile banking** platform, enriching service offerings in areas such as international business, inclusive finance and supply chain finance. Through guided processes embedded in high-frequency corporate scenarios, including expense-controlled business travel and procurement, sales and inventory management, the Bank promoted deeper integration of business flows, fund flows and voucher flows, effectively improving business-finance collaboration efficiency. **Through its four-tier operation and maintenance service system,** the Bank provided end-to-end support throughout the entire customer journey, from "system onboarding" to "system utilization". During the reporting period, the system delivered services about 839.0 thousand times in total, effectively reducing customers' operation and maintenance burden. As at the end of the reporting period, the Bank had 1,403.4 thousand corporate customers via online channels, representing an increase of 3.34% from the end of the previous year, with the coverage rate of online channels among corporate customers reaching 97.64%.

2.8.4.3 *Physical Outlets*

With its branches and institutions almost covering all large and medium-sized cities across the Chinese mainland, the Bank continued to act on the principle of "reducing costs, increasing efficiency, cutting quantity and improving quality" in establishing domestic branches and institutions. Through outlet network optimization, efficiency enhancement, operating cost control and other measures, the Bank achieved efficient resource allocation. It actively responded to national strategies and major initiatives, including the Belt and Road Initiative, the coordinated development of the Beijing-Tianjin-Hebei region, the integrated development of the Yangtze River Delta, the development of the Guangdong-Hong Kong-Macao Greater Bay Area, and rural revitalization and strengthened financial service provision in key areas such as free trade zones, ports and new areas, thereby comprehensively enhancing the accessibility of financial services.

As at the end of the reporting period, the Bank had 1,485 outlets in 153 large and medium-sized cities in the Chinese mainland, including 37 tier-one branches (directly managed by the Head Office), 125 tier-two branches, and 1,323 sub-branches (including 27 community/small and micro sub-branches), plus 1,508 self-service banks (including onsite and offsite self-service banks), 3,058 self-service terminals and 9,361 smart teller machines (including 3,039 stand-alone ones). As such, the Bank has developed a diversified outlet service network that consists of comprehensive outlets, boutique outlets, community/small and micro outlets and off-site self-service outlets.

The table below sets forth the distribution of the Bank's outlets by region:

Region	**30 June 2026**		31 December 2025	
	Number of outlets	***Percentage (%)***	*Number of outlets*	*Percentage (%)*
Yangtze River Delta	**304**	**20.47**	304	20.49
Bohai Rim	**316**	**21.28**	314	21.16
Pearl River Delta and Western Straits	**245**	**16.50**	246	16.58
Central China	**278**	**18.72**	277	18.66
Western China	**259**	**17.44**	259	17.45
Northeastern China	**83**	**5.59**	84	5.66
Total	**1,485**	**100.00**	1,484	100.00

The Bank continued to optimize services at its outlets and enhanced service efficiency by strengthening employees' practical capabilities in their respective roles. Meanwhile, the Bank continuously refined its service quality monitoring system, regularly conducted customer satisfaction assessments among outlet visitors, accurately identified areas for improvement in service, and established a closed-loop management mechanism of "monitoring-feedback-improvement", driving continuous enhancement in outlet service quality and customer experience. During the reporting period, customer satisfaction with outlet lobby services reached 97.03%, representing an increase of 2.03 percentage points from the end of the previous year.

In terms of overseas institutions, the Bank set up London Branch in the UK, Hong Kong Branch in the Hong Kong SAR and Sydney Representative Office in Australia. CNCBI, a subsidiary of the Bank, had 21 outlets, 2 business wealth management centers and 1 private banking center in the Hong Kong SAR, overseas branches in New York, Los Angeles, Singapore and Macao SAR and 2 wholly-owned subsidiaries, CITIC Bank International (China) Limited and CNCBI Digital Intelligence (Shenzhen) Information Technology Co., Ltd. in the Chinese mainland. CNCB Investment had 3 subsidiaries in the Hong Kong SAR and the Chinese mainland. Altyn Bank had 7 outlets and 1 private banking center in Kazakhstan. During the reporting period, in line with its strategic development plan, the Bank actively guided overseas institutions to fulfill their designated channel and functional roles. It continuously enhanced the management of overseas institutions in human resources, overseas business operations, IT system development, risk compliance, authorization, and performance evaluation, guided them in maintaining compliant and prudent operations, and advanced the upgrading of the Sydney Representative Office in an orderly manner.

2.8.5 Overseas Branches

2.8.5.1 London Branch

London Branch, the Bank's first overseas branch directly managed by the Head Office, was opened for business in June 2019. It conducts the wholesale banking business and its services encompass deposits, loans such as bilateral lending, syndicated project loans and cross-border M&A financing, financial markets business such as agency spot foreign exchange trading, money market trading, derivative trading, offshore RMB trading, bond repurchases, and investment in and issuance of bonds and interbank certificates of deposit, as well as financial services such as cross-border RMB payment and settlement.

During the reporting period, London Branch aligned its efforts with the Bank's strategy for international development, leveraged its strengths as an overseas institution, and, with a focus on the UK, the broader coverage of Europe, the Middle East, and Africa, worked to enhance its capabilities in providing comprehensive cross-border financial services. The branch strengthened cross-border business collaboration and customer service capabilities, actively capitalized on market opportunities arising from Chinese enterprises' global expansion, and further deepened its presence in the local market, so as to improve its operating efficiency and market competitiveness.

As at the end of the reporting period, London Branch recorded total assets equivalent of RMB28.513 billion.

2.8.5.2 Hong Kong Branch

In March 2024, Hong Kong Branch of the Bank was officially opened for business, with the main service scope encompassing loan businesses such as bilateral lending, syndicated lending and cross-border M&A financing, as well as financial markets businesses including money market trading, offshore RMB trading, bond repurchases and investments in bonds and interbank certificates of deposit.

During the reporting period, Hong Kong Branch gave full play to its function as a functional platform to implement the cross-border asset business of the Bank. Focusing on large amount credit asset business and leveraging the synergy within CITIC Group, it steadily advanced business development.

As at the end of the reporting period, Hong Kong Branch recorded total assets equivalent of RMB15.471 billion.

2.8.6 Subsidiaries and Joint Ventures

2.8.6.1 CIFH

CIFH was incorporated in Hong Kong in 1924. It was acquired by CITIC Group in June 1986 and restructured to an investment holdings company after its acquisition of the then Hong Kong Chinese Bank Limited in 2002. It is now a wholly-owned subsidiary of the Bank, with an issued share capital of HKD7.503 billion. CIFH is the main platform for the Bank to conduct its overseas businesses. Its business scope includes commercial banking and non-banking financial services. CIFH conducts its commercial banking business mainly via its holding subsidiary CNCBI (in which CIFH holds a 75% equity interest), and conducts its non-banking financial business primarily via CIAM (in which CIFH holds a 46% equity interest).

As at the end of the reporting period, CIFH had 2,667 in-service employees. It recorded HKD612.735 billion in total assets and HKD65.916 billion in net assets[32]. During the reporting period, it realized operating income of HKD6.192 billion, while its net profit reached HKD2.228 billion.

CNCBI: CNCBI is a licensed bank incorporated in Hong Kong. As the Bank's principal platform for overseas business and primary channel for cross-border collaboration, it actively integrates into Group-wide collaboration, continuously strengthens its customer base, and constantly enhances its comprehensive cross-border service capabilities.

In corporate banking, CNCBI actively provided customers with professional cross-border financing solutions, including syndicated loans, project financing, and green and sustainable finance loans. It ranked among the leading arrangers and bookkeepers in the Hong Kong and Macao syndicated loan markets according to the London Stock Exchange. The total scale of its securities services business reached HKD822.328 billion, representing an increase of 11.08% from the end of the previous year. For treasury and global market business, CNCBI leveraged its end-to-end debt capital market service capabilities. Despite the contraction of the overseas public bond market for Chinese issuers, CNCBI completed 88 public bond issuances during the reporting period, with a total issuance size of USD31.919 billion. In private financing, CNCBI completed the issuance of 342 large-value certificates of deposit and commercial paper, with the issuance size increasing by 50.09% year on year. For personal and corporate banking business, CNCBI actively expanded payroll services, promoted MOTION Deposit, and accelerated the development of payment and settlement businesses. Meanwhile, CNCBI continued to enhance engagement with high-net-worth customers, strengthened professional empowerment by investment research and advisory services, and provided data-driven asset allocation solutions. Leveraging the strengths of its business model featuring "bancassurance + insurance brokerage", CNCBI continued to enhance the service efficiency of its "Hong Kong + Singapore" dual private banking hubs. During the reporting period, income from personal wealth management increased by 19.89% year on year.

As at the end of the reporting period, CNCBI had issued share capital of HKD18.404 billion. Its total assets reached HKD609.266 billion, and net assets amounted to HKD60.987 billion. During the reporting period, CNCBI recorded operating income of HKD6.112 billion and net profit of HKD2.160 billion.

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[32] The HKD/RMB exchange rate was 0.865300501 on 30 June 2026.

CIAM: CIAM is a Hong Kong-based institution mainly engaged in private equity investment and asset management. During the reporting period, upholding the strategy of "controlling risks, reducing costs and streamlining tiers", CIAM strengthened the management of projects and platform companies as well as orderly exit, and enhanced the recovery of debt projects. Meanwhile, CIAM continued to strengthen expense management and control to reduce operational costs.

2.8.6.2 CNCB Investment

CNCB Investment is a wholly-owned subsidiary of the Bank established in Hong Kong in 1984 with a registered capital of HKD1.871 billion. Its business scope covers lending (a licensed money lender in Hong Kong), investment (mainly including bond investment, fund investment, stock investment, long-term equity investment, etc.), and overseas licensed investment banking business and domestic equity investment fund management business via its subsidiaries.

As the overseas investment banking platform of the Bank, CNCB Investment continuously enhanced its marketing service system, improved its product chain and business strategies, strengthened comprehensive risk management, and worked to build itself into a new-type overseas investment bank with cross-border asset management at the core. During the reporting period, it increased collaboration with domestic Head Office and branches, strengthened the connectivity mechanism between commercial banking and investment banking at home and abroad, and efficiently met the comprehensive financing needs of the parent bank's customers who engage in cross-border business. Meanwhile, CNCB Investment steadily advanced the development of three major platforms, namely the cross-border investment and trading platform, cross-border comprehensive financing platform and cross-border asset management platform. CNCB Investment strengthened its asset allocation capabilities across major asset classes and enriched its asset management product offerings. As at the end of the reporting period, its assets under active management reached HKD50.355 billion, representing an increase of 8.75% from the end of the previous year.

As at the end of the reporting period, CNCB Investment recorded total assets of USD6.584 billion[33] and net assets attributable to the parent company of USD829 million. During the reporting period, its net profit attributable to the parent company amounted to USD16 million.

2.8.6.3 CITIC Financial Leasing

Wholly owned by the Bank, CITIC Financial Leasing was incorporated in Tianjin in April 2015 with a registered capital of RMB10 billion. It mainly engages in financial leasing.

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[33] The USD/RMB exchange rate was 6.7856 on 30 June 2026.

During the reporting period, CITIC Financial Leasing focused on its core leasing business, continued to advance strategic transformation, and steadily implemented the strategy of "developing leasing of two large-sized assets and two small-sized assets and optimizing leasing of medium-sized assets", thereby fully supporting the development of the real economy. In terms of large-sized assets, CITIC Financial Leasing strengthened cooperation with shipbuilding, aviation and shipping companies, invested RMB3.246 billion in aircraft and ship-related leasing businesses, and held a total of 126 aircraft and ships (including those under manufacture with a placed order). In terms of small-sized assets, CITIC Financial Leasing served more than 50,000 rural households through a fund investment model for household photovoltaic project companies. In terms of medium-sized assets, CITIC Financial Leasing focused on strategic sectors such as wind power, solar power, hydropower, energy storage and computing power. It launched the first operating lease project for centralized wind, solar and energy storage power plants and pioneered an industry-first trust-based model for computing power leasing, enabling its rollout across multiple projects and gaining a competitive edge in emerging business areas.

As at the end of the reporting period, CITIC Financial Leasing recorded total assets of RMB135.362 billion and net assets of RMB14.455 billion. During the reporting period, it realized operating income and net profit of RMB2.683 billion and RMB874 million, respectively.

2.8.6.4 CITIC Wealth Management

CITIC Wealth Management was incorporated in Shanghai in July 2020 with a registered capital of RMB5.0 billion. As a wholly-owned subsidiary of the Bank, CITIC Wealth Management mainly engages in the issuance of wealth management products, investment and management of investor assets under custody and financial advisory and consulting.

As at the end of the reporting period, CITIC Wealth Management had 501 employees. It registered total assets of RMB16.469 billion and net assets of RMB15.528 billion, with a capital preservation and appreciation rate of 111.04%. During the reporting period, CITIC Wealth Management achieved operating income of RMB2.352 billion and net profit of RMB1.518 billion.

For details of asset management business conducted during the reporting period, please refer to the relevant content under "Financial Markets Business" in this chapter.

2.8.6.5 CITIC Bank Financial Asset Investment

CITIC Bank Financial Asset Investment was incorporated in Guangzhou, Guangdong Province in November 2025 with a registered capital of RMB10 billion. It is a wholly-owned subsidiary of the Bank, and it mainly engages in market-oriented debt-to-equity swaps.

During the reporting period, CITIC Bank Financial Asset Investment focused on its core business of debt-to-equity swaps. It deepened industry research, strengthened ecosystem development, enhanced group collaboration, reinforced risk management and internal control, and solidified foundational management. It continued to expand its presence in core technology sectors identified as priorities under the 15th Five-Year Plan, including AI, new energy, new materials, integrated circuits and advanced manufacturing, effectively supporting companies in optimizing capital structures, improving corporate governance, and creating long-term value.

As at the end of the reporting period, CITIC Bank Financial Asset Investment recorded total assets of RMB10.149 billion and net assets of RMB10.080 billion. During the reporting period, it achieved operating income of RMB140 million and net profit of RMB72 million.

2.8.6.6 CITIC aiBank

CITIC aiBank was incorporated in Beijing in September 2017, and is the first direct bank with independent legal person status in China jointly established by the Bank and Fujian Baidu Borui Network Technology Co., Ltd., with a registered capital of RMB5.634 billion. The Bank holds a 65.70% equity interest. The business scope includes deposits and loans (mainly for individuals and small and micro enterprises), settlement, acceptance and discounting of electronic bills, and agency collection and payment services, etc., through electronic channels.

During the reporting period, amid challenges arising from the accelerated reshaping of the market landscape, CITIC aiBank adhered to a prudent and sound operating philosophy, remained committed to its core positioning as a digital inclusive bank, and continued to enhance the precision and availability of financial services supporting the real economy. It continued to scale down loan facilitation business and reduce its share in the loan portfolio, and firmly advanced the transformation of its proprietary business. Focusing on the difficulties and challenges faced by small and micro enterprises in accessing inclusive financing, CITIC aiBank increased financial support for such enterprises. As at the end of the reporting period, the balance of inclusive loans to small and micro enterprises stood at RMB11.561 billion, representing a year-on-year increase of 3.57%. As one of the first legal-person institutions in Beijing to implement relending programs for private enterprises, CITIC aiBank successfully extended RMB200 million in dedicated credit lines, precisely implementing regulatory policy support for the private sector. In addition, leveraging its strengths as a digital-native bank and the resource advantages of its shareholders, CITIC aiBank deepened the exploration and application of cutting-edge technologies. It independently developed the Orange intelligent agent platform, which became one of the first platform products to obtain enterprise-level intelligent agent security certification from the China Academy of Information and Communications Technology (CAICT). It also developed a multi-dimensional profiling model for small and micro enterprises to provide more comprehensive and accurate data support for business approval, effectively improve loan disbursement efficiency, and enhance customer service experience.

As at the end of the reporting period, CITIC aiBank recorded total assets of RMB105.202 billion and net assets of RMB10.508 billion. During the reporting period, CITIC aiBank accelerated its strategic transformation, orderly reduced high-priced and high-risk assets, and achieved operating income of RMB2.373 billion and net profit of RMB81 million.

2.8.6.7 Altyn Bank

Altyn Bank was formerly an affiliate of HSBC established in Kazakhstan in 1998. In November 2014, it was wholly acquired by the Halyk Bank of Kazakhstan, the largest commercial bank in the country. In April 2018, the Bank completed the acquisition of a majority stake in Altyn Bank. At present, the Bank holds a 50.1% equity interest in Altyn Bank.

During the reporting period, Altyn Bank upheld the path to differentiated and distinctive development, and continuously enhanced core competitiveness. In terms of corporate business, by fully leveraging the policy advantages of domestic free trade areas, Altyn Bank provided convenient fund services for enterprises' overseas investment and trade, steadily advanced the cross-border use of RMB, and built a distinctive service model for RMB internationalization. Centering on the auto trade chain, it continuously explored auto finance products and cooperation models to support national auto brands in global expansion. In terms of retail business, Altyn Bank continuously drove digital transformation and enhanced customer experience and service value by integrating technologies with scenarios. It constantly expanded online housing mortgage business and officially launched auto mortgage business.

As at the end of the reporting period, Altyn Bank recorded share capital of KZT7.050 billion[34], total assets of KZT1.26 trillion, and net assets of KZT177.702 billion. During the reporting period, it realized operating income of KZT29.296 billion and net profit of KZT13.573 billion.

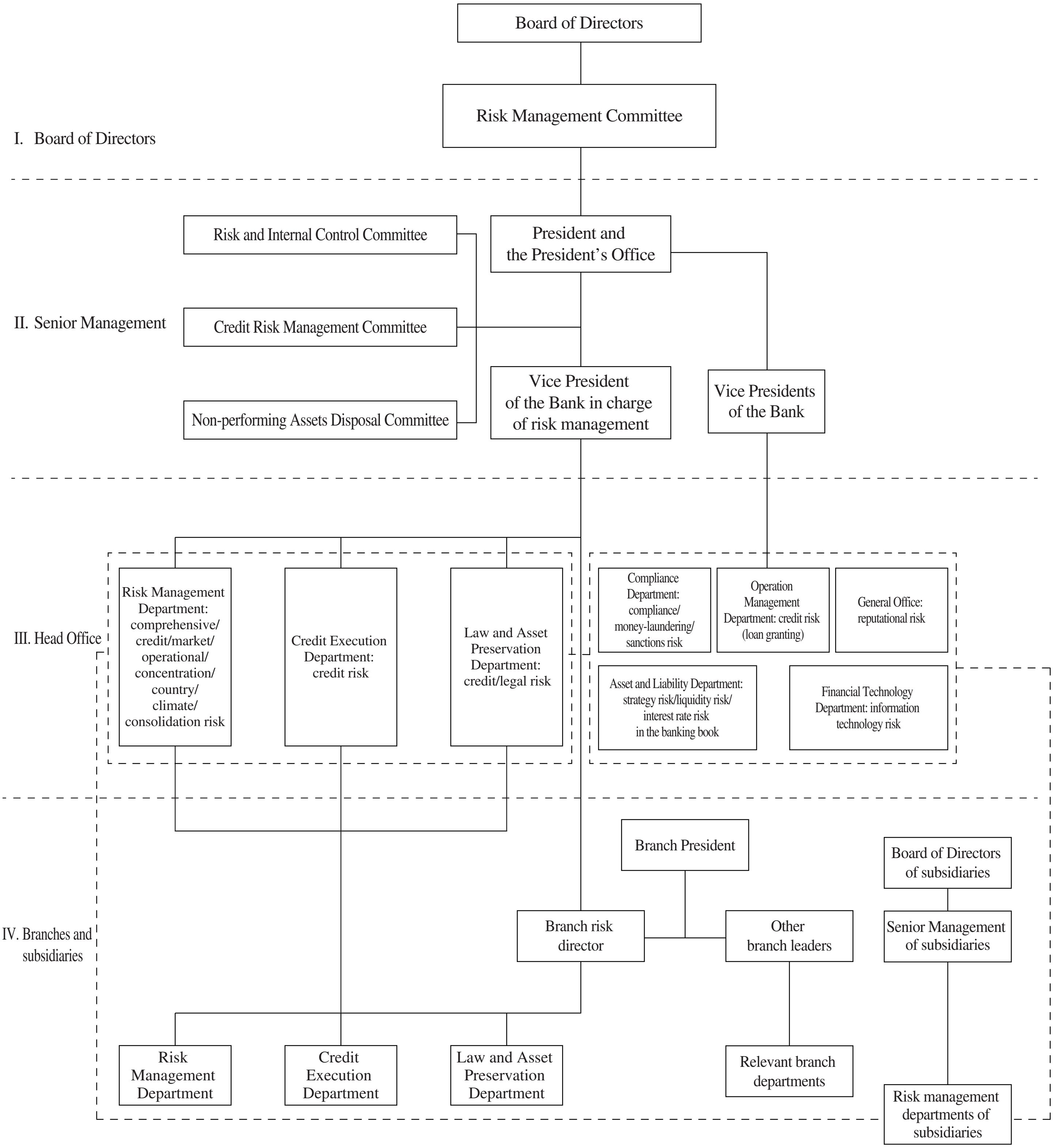
2.8.6.8 Lin'an CITIC Rural Bank

Lin'an CITIC Rural Bank was incorporated in Hangzhou, Zhejiang Province in December 2011. It has a registered capital of RMB200 million, with the Bank holding 51% of its equity interest. Lin'an CITIC Rural Bank is mainly engaged in general commercial banking business. As at the end of the reporting period, the total assets and net assets of Lin'an CITIC Rural Bank were RMB1.692 billion and RMB204 million, respectively.

[34] The KZT/RMB exchange rate was 0.014114025 on 30 June 2026.

2.9 Risk Management

2.9.1 Risk Management Structure



2.9.2 Risk Management System

The Bank continued to improve its comprehensive risk management system featuring effective risk control and strong support for business development, and further strengthened its prudent risk and compliance culture and risk appetite. Drawing on four key dimensions, namely value creation, capital efficiency, risk control and social responsibility, the Bank clarified the directions for its business development and major risk management, established bottom-line requirements for risk management, further reinforced risk appetite management of its subsidiaries, and promoted the effective transmission and implementation of risk appetite across the Group. Guided by national strategies and policy orientation, the Bank continued to advance the combination of the "Five Policies", deepen industry research, and streamline its business structure. It refined a unified credit extension management system, and strengthened control over regional and customer concentration risks. The Bank advanced the integration of credit approval, management and inspection, enhanced proactive post-lending and post-investment management as well as risk monitoring and early warning, took concrete steps to reduce and exit risk exposures, and improved the full-process credit business management mechanism. The Bank effectively managed risks arising from key areas such as real estate, local government financing platforms and personal loans, while adopting multiple measures to resolve risk associated with projects and maintain stable asset quality. The Bank further enhanced the parent bank-subsidiary integrated risk control system, strengthened subsidiary-specific guidance, and enhanced the risk management capabilities of the Group.

2.9.3 Credit Risk Management

Credit risk refers to the risk of a bank incurring losses in its business due to the failure of its borrowers or transaction counterparties to fulfill the obligations specified in relevant agreements or contracts. The Bank's credit risk mainly originates from various credit businesses, including but not limited to loans (factoring included), guarantees, acceptance, loan commitments, and other on-and-off-balance sheet credit businesses, as well as bond investment of the banking book, derivatives trading and security financing, structured finance, and other businesses.

The Bank's credit risk management framework mainly consists of the Board of Directors and the Risk Management Committee under it, the senior management and the Risk and Internal Control Committee, the Credit Risk Management Committee (including its Credit Approval Committee), the Non-performing Assets Disposal Committee under it, as well as the Risk Management Department, the Credit Execution Department, the Law and Asset Preservation Department, and various front-office customer and business departments.

Committed to the overall operation philosophy of "risk management with stability as overarching goal and quality improvement through structure optimization" and guided by the principle of serving the real economy and preventing risks, the Bank continuously optimized its credit structure, enhanced comprehensive financial service capabilities, strengthened whole-process credit management, prevented systemic risks, and kept credit risk within a tolerable range. The Bank strictly implemented the *Administrative Measures for Large Exposures of Commercial Banks* and other relevant regulatory requirements and actively advanced large exposure management under the comprehensive risk management framework. During the reporting period, all indicators related to large risk exposures remained within regulatory limits.

First, optimizing the credit structure. Leveraging the combination of the "Five Policies", the Bank optimized the allocation of major asset classes toward new and higher-quality growth areas, with a greater focus on serving the real economy. It concentrated on major opportunities arising from the 15th Five-Year Plan, remained closely aligned with priorities such as the development of the "six nets" and initiatives such as implementing major national strategies, enhancing security capacity in key areas, and carrying out large-scale equipment upgrades and consumer goods trade-in programs, and increased support for key areas, including the "Five Priorities" in finance.

Second, facilitating risk resolution in key areas. The Bank continued to implement the urban real estate financing coordination mechanism. For key risk customers and projects, the Bank adopted "a tailored approach for each customer" and promoted multi-channel risk resolution through market-oriented measures, thereby supporting the stable and healthy development of the real estate market. The Bank resolutely implemented national decisions and plans on preventing and mitigating local government debt risk, supported the orderly and effective resolution of local government debts, and strictly prevented debt evasion.

Third, strengthening overdue loan and NPL disposal. The Bank took a forward-looking approach to the management of maturing loans and conducted regular check and collection on overdue loans so as to enhance asset quality from the sources. By enhancing risk analysis and judgment capability, the Bank continuously improved the quality and efficiency of NPL disposal through enriched market-based disposal methods.

Fourth, continuously improving the post-lending management system. The Bank strengthened post-lending inspection and monitoring, improved large exposure risk investigations and fund flow monitoring mechanisms, enhanced risk warning and post-lending management letter systems, promoted regularized management of loans approaching maturity and overdue loan monitoring, accelerated digital transformation and AI empowerment in post-lending management, and improved management effectiveness.

Fifth, enhancing digital and intelligent risk control capabilities. The Bank actively explored multi-scenario applications of big data and AI, strengthened the foundation of data assets, and enhanced data analysis and application. The Bank improved its early warning and risk mitigation management system to make credit risk management more timely, accurate and forward-looking.

For details on the credit risk management of various businesses of the Bank during the reporting period, please refer to "Business Overview" of this chapter.

2.9.4 Market Risk Management

Market risk refers to the risk of on-and-off-balance sheet businesses of a bank incurring losses due to unfavorable changes in market prices (including interest rate, exchange rate, stock price and commodity price). The main market risk confronting the Bank includes interest rate risk, exchange rate risk, and commodity (precious metals) risk. The Bank has established a market risk management system covering market risk identification, measurement, monitoring, control and reporting. By closely monitoring market risk, strictly implementing product access and risk limit management, and promptly conducting risk measurement and reporting, the Bank has prevented and controlled its market risk. The target of market risk management of the Bank is to effectively prevent market risk, control market risk within a reasonable range, and strike a balance between risk and return.

During the reporting period, the Bank optimized its market risk appetite, ensured the effective transmission, and reassessed and monitored its market risk limits. The Bank continuously tracked and monitored market fluctuations of interest rates, exchange rates and precious metals, conducted risk screening, warning and reporting, and conducted stress tests on a regular basis to effectively prevent and address market risk. For details of market risk capital measurement, please refer to the *Third Pillar Information Disclosure Report of the First Half of 2026* issued by the Bank. For details on interest rate gap, foreign exchange exposure and sensitivity analysis, please refer to Note 53(b) to the financial statements of this report.

2.9.4.1 Management of Interest Rate Risk in the Trading Book

The Bank's interest rate risk in the trading book primarily stems from bond trading and interest rate derivative transactions. The Bank established a complete risk limit system for the interest rate risk in the trading book, set limits such as value at risk, interest rate sensitivity, and market value loss according to features of different products, and regularly assessed the tail risk of interest rate risk in the trading book through stress testing and other tools, to control the interest rate risk in the trading book within the tolerable level under its risk appetite.

The Bank's interest rate risk in the trading book is mainly affected by changes in yields of the domestic bond market. During the reporting period, yields in the domestic bond market trended downward amid fluctuations. The yield on the 10-year central government bond decreased by 11 Bps in aggregate, closing at 1.73%. In response, the Bank closely tracked market changes, strengthened market research and assessment, effectively carried out risk monitoring and early warning, prudently controlled the interest rate risk exposure in the trading book, and ensured accurate measurement, regular analysis and reporting of the interest rate risk.

2.9.4.2 *Exchange Rate Risk Management*

Exchange rate risk refers to the risk of on-and-off-balance sheet businesses of a bank incurring losses due to unfavorable changes in exchange rates. The Bank mainly measures the magnitude of exchange rate risk by analyzing foreign exchange exposure, which mainly comes from the foreign exchange position formed through foreign exchange transactions and from foreign currency capital and foreign currency profits. The Bank manages exchange rate risk by reasonably matching Renminbi and foreign currency-denominated assets and liabilities and making prudent use of derivative financial instruments. For foreign exchange exposures of the Bank's assets and liabilities, as well as foreign exchange exposures formed in foreign exchange settlement and sale, foreign exchange trading and other transactions, the Bank sets exposure limits to control its exchange rate risk at an acceptable level.

The exchange rate risk of the Bank was mainly subject to changes in the Renminbi exchange rate against the US dollar. During the reporting period, the Renminbi remained broadly stable at an adaptive and equilibrium level, appreciating modestly by 3% against the US dollar. The Bank strictly controlled the foreign exchange risk exposures of relevant businesses, and intensified daily monitoring, early warning and reporting of exchange rate movements and foreign exchange risk exposures, thereby controlling the exchange rate risk within acceptable limits.

2.9.4.3 *Commodity (Precious Metals) Risk Management*

The Bank's commodity risk primarily arises from gold and silver businesses and is primarily controlled by setting limits on value at risk, exposures, losses and other indicators. During the reporting period, international gold and silver prices experienced wide fluctuations, closing at USD4,007.49 per ounce and USD58.51 per ounce, respectively, at the end of June. The Bank continued to track and monitor market developments, analyzed and assessed their impact on business profit and loss, and maintained commodity risk within acceptable limits.

2.9.5 Management of Interest Rate Risk in the Banking Book

Interest rate risk in the banking book is defined as the risk of loss in the overall earnings and economic value of the banking book arising from adverse movements in interest rates, maturity structure and other factors. It consists of gap risk, benchmark risk and option risk. The Bank manages its interest rate risk in the banking book with the basic objective of controlling its interest rate risk in the banking book within a reasonable range according to its risk management capabilities, risk appetite and tolerance. Relying on effective comprehensive risk management, the Bank established a sound management system for interest rate risk in the banking book, including a multi-level risk management structure, risk management strategies and processes, risk identification, measurement, monitoring, control and mitigation systems, internal control and audit policies, information management systems, risk reporting and information disclosure mechanisms, etc.

During the reporting period, the Bank closely followed changes in monetary policies and fiscal policies, strengthened the prediction of the trend of market interest rates and the analysis of changes in customer behavior, and adjusted response measures in a forward-looking manner. It applied gap analysis, sensitivity analysis, stress testing and other methods to monitor the risk exposure level and changes from multiple dimensions such as re-pricing gap, duration, change in net interest income (△NII) and change in economic value of equity (△EVE). It also flexibly employed price guidance, duration management, scale management, hedging and other management tools to ensure the overall stability of the Bank's interest rate risk exposures in the banking book. With the above management measures working in concert, the Bank's management indicators for interest rate risk in the banking book fluctuated within the risk tolerance range of the Bank during the reporting period.

2.9.6 Liquidity Risk Management

Liquidity risk refers to the risk that a bank is unable to obtain adequate capital in a timely manner and at a reasonable cost to repay matured debts, perform other payment obligations or meet other capital needs for normal business. The Bank's liquidity risk management aims to effectively identify, measure, monitor and control the liquidity risk at the legal person level and the Group level by establishing a science-based and sound system for liquidity risk management, and to ensure that the liquidity needs can be met at a reasonable cost in a timely manner on the premise of compliance with regulatory requirements.

The Bank has set up a robust governance structure for liquidity risk management, which clearly lays out the division of duties among the Board of Directors, the senior management and subordinate special committees and the relevant management departments of the Bank, and explicitly defines the strategies, policies and procedures on liquidity risk management. The Board of Directors assumes the ultimate responsibility for liquidity risk management of the Bank, and reviews and approves the liquidity risk appetite, liquidity risk management strategies, important policies and procedures, etc. The Audit Committee of the Board of Directors is responsible for supervising and evaluating the performance of the Board of Directors and the senior management in liquidity risk management, and reporting to the shareholders' meeting. The senior management shall take charge of liquidity risk management, keep abreast of major changes in liquidity risk and regularly report to the Board of Directors. The Asset and Liability Committee of the Head Office shall perform certain duties as authorized by the senior management. As the leading department for liquidity risk management of the Bank, the Asset and Liability Department of the Head Office is responsible for formulating policies and procedures for liquidity risk management, as well as measuring, monitoring and analyzing liquidity risk and other specific management work. The Audit Department of the Head Office is responsible for auditing, supervising and evaluating the Bank's liquidity risk management.

The Bank maintains liquidity risk at a prudent and sound level, and implements a prudent and coordinated liquidity risk management strategy and a unified liquidity risk management model. The Head Office is responsible for formulating liquidity risk management strategies, policies and procedures of the Group and legal-person institutions, and centrally managing liquidity risk at the legal-person institution level. All domestic and overseas affiliates of the Group are responsible for developing and implementing their own strategies, policies and procedures for liquidity risk management pursuant to the requirements of competent regulators and within the Group's overall policy framework on liquidity risk management.

During the reporting period, the People's Bank of China (PBOC) implemented a moderately accommodative monetary policy and used a combination of tools, including open market operations, medium-term lending facilities, central government bond trading, and relending and rediscounting for ample market liquidity. The overall level of money market interest rates remained relatively low and fluctuated around policy rates. The Bank constantly enhanced liquidity risk management, increased the foresight and proactiveness of liquidity management, and kept optimizing the coordinated management of assets and liabilities. It consistently stabilized and increased deposits, improved the total amount and structure of fund sources and utilization, and maintained a dynamic balance between liquidity and profitability in a coordinated manner. It also enhanced liquidity risk measurement and monitoring, kept practicing liquidity risk limit management, and ensured that liquidity risk indicators met regulatory requirements and were maintained at reasonable levels. Moreover, the Bank properly conducted routine liquidity management, strengthened market analysis and forecasting, made forward-looking fund arrangements, and improved the efficiency of fund utilization on the basis of ensuring liquidity security. It reinforced proactive management of liabilities and maintained an appropriate and proactive liability structure so as to ensure smooth channels and diversified sources for financing. In addition, the Bank continued to promote the issuance of financial bonds to replenish and stabilize the sources of liabilities. It paid attention to emergency liquidity management and enhanced its emergency management capabilities. During the reporting period, the Bank, taking into account major factors and external environmental factors that may trigger liquidity risk, reasonably set stress scenarios and conducted liquidity risk stress testing on a quarterly basis. In the mild, medium, and severe scenarios, the Bank's minimum survival periods all exceeded the 30-day limit specified by the regulatory requirement.

As at the end of the reporting period, the Group's liquidity indicators continued to meet regulatory requirements. The liquidity coverage ratio was 161.48%, 61.48 percentage points higher than the minimum regulatory requirement, indicating that the Group had an adequate reserve of premium liquid assets and a strong capacity to withstand the short-term liquidity risk shocks. The details are set out below:

Unit: RMB million

Item	**30 June 2026**	31 March 2026	31 December 2025
Liquidity coverage ratio	**161.48%**	125.29%	144.22%
Qualified premium liquid assets	**1,428,572**	1,228,207	1,080,670
Net cash outflow in the coming 30 days	**884,666**	980,253	749,299

Note: The Group disclosed relevant information on its liquidity coverage ratio in accordance with the *Rules on Disclosure of Liquidity Coverage Ratio of Commercial Banks* (CBRC Issue [2015] No.52).

The net stable funding ratio was 109.30%, 9.30 percentage points higher than the minimum regulatory requirement, indicating that the available stable funding sources of the Group could support the needs of sustainable business development. The details are set out below:

Unit: RMB million

Item	**30 June 2026**	31 March 2026	31 December 2025
Net stable funding ratio	**109.30%**	105.83%	104.65%
Available stable funding	**6,013,048**	5,892,532	5,680,395
Required stable funding	**5,501,404**	5,567,931	5,428,041

Note: The Group disclosed relevant information on its net stable funding ratio in accordance with the *Rules on Disclosure of Net Stable Funding Ratio of Commercial Banks* (CBIRC Issue [2019] No.11).

For relevant information on the Group's liquidity gaps as at the end of the reporting period, please refer to Note 53(c) to the financial statements of this report.

2.9.7 Operational Risk Management

Operational risk refers to the risk of loss resulting from deficiencies in internal procedures, employees and information technology systems, or from external incidents. It includes legal risk but excludes strategic and reputational risks. The Bank has established a comprehensive operational risk management system, laying a solid foundation for risk governance. Aiming to continuously strengthen its risk control capabilities and resilience to both internal and external shocks, enhance service efficiency, and deliver greater returns to shareholders, the Bank has established a proper value orientation for operational risk management and fostered a sound culture of operational risk management. It has reinforced the effective alignment of its operational risk management framework with its business continuity, outsourcing risk management, cybersecurity and data security frameworks and mechanisms, thereby enhancing its operational resilience.

During the reporting period, the Bank actively advanced its application to adopt the standardized approach to operational risk using a self-calculated internal loss multiplier, strengthened proactive operational risk management, and deepened the application of operational risk management tools. To further strengthen its operational risk culture, the Bank organized multi-level, multidimensional operational risk training and awareness programs covering a broad range of business areas. The Bank reinforced the consolidated operational risk management of subsidiaries and overseas branches and improved the Group's operational risk management. It continued to advance the building of management systems for business continuity, information technology risk, and outsourcing risk. It organized business continuity emergency drills in accordance with its annual plan, regularly reviewed resources available at backup sites and updated or replenished them in a timely manner to effectively respond to business disruption events such as extreme weather conditions. The Bank optimized information technology risk monitoring indicators and enhanced its information technology risk monitoring capabilities. The Bank further strengthened governance in key outsourcing areas, enhanced systems supporting full-lifecycle outsourcing management, and continued to improve its outsourcing risk prevention and control capabilities. During the reporting period, the Bank's operational risk management system maintained stable operation, with overall risks remaining under control.

2.9.8 Information Technology Risk Management

Information technology risk refers to the operational, legal and reputational risks caused by natural disasters, human factors, technical loopholes and management defects in the application of information technology by commercial banks. Information technology risk management is incorporated into the Bank's comprehensive risk management system and is an important part of comprehensive risk management. With the core principle of "adhering to the bottom line, strengthening awareness, focusing on execution, conducting proactive management, and creating value", the Bank is committed to creating an information technology risk culture system covering "all employees, all aspects and full process".

The Bank has established an organizational structure featuring "three lines of defense" for information technology risk consisting of the "one department and three centers" of financial technology, Risk Management Department, Compliance Department, Audit Department and other relevant departments. The Board of Directors regularly listened to and reviewed information technology risk management reports and supervised the effectiveness of technology risk governance. During the reporting period, the Board of Directors reviewed important matters related to information technology risk, including the *Information Technology Risk Management Report of China CITIC Bank.*

The Bank continued to improve its information technology risk management system, optimized and refined information technology risk management policies, and upgraded its regular supervision and inspection mechanisms for information technology risk. The Bank effectively carried out information technology risk identification, assessment, monitoring, control, and reporting activities to facilitate the early identification, warning and disposal of information technology risk. During the reporting period, in alignment with national requirements and regulatory guidelines, the Bank continued to strengthen risk prevention and control capabilities in areas, including technology governance, cybersecurity and data security, information system R&D and operations, information technology outsourcing and business continuity management, so as to ensure the secure, continuous and stable operation of information systems. During the reporting period, the Bank did not have any major information technology risk event, and its information systems maintained stable operation, placing information technology risk generally under control.

2.9.9 Reputational Risk Management

Reputational risk mainly refers to the risk that damages the Bank's brand value, adversely affects its normal operation, and even affects market and social stability due to negative opinion of the Bank by stakeholders, the public, and the media resulting from the Bank's behavior, employees' behavior or external events. The Bank's objective for reputational risk management is to establish a reputational risk management system, clarify management processes and responsibilities, maintain a positive market image, proactively and effectively prevent reputational risks, respond to reputational events, and minimize negative impacts and losses arising from events that may adversely affect the Bank's reputation.

During the reporting period, the Bank strictly implemented regulatory requirements on preventing and mitigating financial risks, followed the basic principles of "foresight, commensurability, full coverage and effectiveness" in reputational risk management, and adhered to the working philosophy of "prevention as the main measure with equal importance attached to prevention and control", so as to integrate reputational risk management throughout all aspects and the entire process of business operations and management. The Bank strengthened organizational leadership and continuously enhanced the operational effectiveness of its three-tier reputational risk governance structure comprising the Board of Directors and senior management, Head Office departments, and branches and institutions, so as to strengthen the accountability transmission mechanism and improve management quality and efficiency. Focusing on process management and control, the Bank continued to optimize its end-to-end reputational risk management system and established a closed-loop management mechanism featuring "targeted prevention before incidents, rapid response during incidents, and root-cause remediation after incidents", to continuously enhance the precision and effectiveness of reputational risk prevention and resolution. The Bank remained committed to prioritizing positive communications and integrating the management of media communications and online public sentiment. It established a media communications framework featuring overall coordination, tiered collaboration and targeted communication, systematically advanced brand communications, and continued to enhance its brand influence and reputation.

2.9.10 Country Risk Management

Country risk refers to the risk that, as a result of economic, political or social changes or events in a country or region, debtors in that country or region may be unable or unwilling to repay their obligations to the Bank, the Bank's business in that country or region may sustain losses, or the Bank may otherwise incur losses.

During the reporting period, the Bank closely monitored developments in the international landscape, continuously strengthened its country risk monitoring and assessment, increased the frequency of country risk rating updates, reviewed and adjusted country risk limits, and strengthened management requirements for high-risk countries or regions. As at the end of the reporting period, the Bank's country risk exposures were primarily concentrated in low-risk countries or regions, with overall risk remaining under control. The Bank will continue to monitor the distribution of and changes in country risk exposures, proactively guide the prudent geographic allocation of its business activities, and strictly control operations in high-risk countries or regions to effectively prevent country risk.

2.10 Internal Control

2.10.1 Internal Control System

The Bank placed great emphasis on strengthening long-term internal control mechanisms and coordinated efforts to advance special governance over operational risks and internal controls in key areas, thereby further consolidating the foundation of internal control management. **The Bank established negative lists covering key processes in critical areas,** specifically identified typical non-compliance risks in areas such as corporate credit extension, retail banking and procurement management, and promoted the integration of internal control measures into business processes. **The Bank deepened internal control compliance inspections and assessments,** completed inspections and assessments in areas including high-risk customer identification and partner institution onboarding, strengthened internal controls at the source, and enhanced risk management and control capabilities in key areas. **The Bank improved and refined the authorization control mechanism,** further refined the rules for exercising authorized rights for the year, and continued to intensify differentiated authorization for key branches and key businesses, promoting scientific and reasonable authorization control.

2.10.2 Compliance Management

During the reporting period, leveraging the "Year of Enhanced Fundamental Management" campaign, the Bank further improved and refined its compliance management system, implemented annual key compliance management initiatives under the "3456" framework[35], and strengthened penetrating compliance management across the Group. **The Bank systematically planned and advanced six special initiatives** on case prevention management, compliance management of tier-two branches, compliance management of subsidiaries, AML management, sanctions management and overseas compliance management. The Bank conducted targeted screening and remediation of case risks in key business and management areas, completed on-site compliance inspections of four subsidiaries, organized overseas institutions to identify gaps in their internal control and compliance management, and continued to strengthen follow-up supervision of money laundering risks. **The Bank strengthened the transmission and execution of new regulations.** In response to 34 new regulations, including those concerning M&A loans and disclosure of the comprehensive financing costs of personal loans, the Bank identified 149 key requirements, formulated practical recommendations for implementation, and continuously oversaw the progress, quality and effectiveness of internalization. The Bank intensified compliance reviews of innovative businesses to effectively identify, assess, and forestall risks associated with new products, new services and major projects. **The Bank strictly benchmarked itself against regulatory requirements,** strengthened the application of compliance management tools, including special reports on material matters, compliance alerts and compliance supervision, and issued a series of documents, including guidelines on criminal case management and accountability determination, to enhance the effectiveness of internal control and compliance management. The Bank conducted on-site verification of the remediation of issues identified by regulators, consolidated remediation outcomes, and improved the quality of remediation efforts.

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35 "3456 framework" refers to the "three enhancements and four transformations" initiative (enhancing capabilities, enhancing quality and efficiency, and enhancing evaluation, while advancing transformation toward systematic, professional, digital and intelligent, and lean management), consolidating foundations in five key areas, and advancing six special initiatives.

2.10.3 Anti-money Laundering (AML)

The Bank has always attached great importance to AML efforts and continued to deepen the risk-based approach to AML management. Focusing on international assessments, institutional self-assessments, regulatory ratings and the implementation of new regulations, the Bank focused on key areas, including customer due diligence, beneficial owner identification, comprehensive self-inspection and remediation, and technology-enabled AML, thereby comprehensively enhancing AML compliance and the effectiveness of money laundering risk prevention and control.

The Bank has consistently adhered to leadership of Party building in its AML efforts, ensured its alignment with political standing and action, and operated under a management framework featuring coordinated planning by the Board of Directors and the senior management, collaborative performance of duties by the three lines of defense, and clearly defined responsibilities across the Head Office, branches and sub-branches. The Bank has strictly complied with AML laws and regulations, including the *Anti-Money Laundering Law of the People's Republic of China* and the *Guidelines for the Management of Money Laundering and Terrorist Financing Risks by Legal-Person Financial Institutions (Trial)*, to effectively fulfill its statutory AML obligations.

During the reporting period, benchmarking itself against regulatory requirements, the Bank successfully completed interviews for FATF mutual evaluations, carried out the self-assessment of three types of risks[36] as scheduled, and finished the annual regulatory rating. The Bank revised and issued policies at the legal-entity level on customer due diligence, beneficial owner identification and large-value suspicious transaction reporting, continuously improved business processes and system development, and steadily advanced the implementation of new regulations. The Bank organized a new round of self-inspection and remediation, deepened follow-up supervision and screening in key areas, and consolidated the effectiveness of risk governance. The Bank improved its tiered and categorized customer due diligence mechanism, continuously strengthened monitoring of abnormal customer behavior, and enhanced product risk management and money laundering risk alerts. Leveraging new technologies and algorithms, the Bank upgraded intelligent monitoring models, optimized the functions of its AML digital management platform, and promoted the launch of the suspicious activity monitoring system at Hong Kong Branch. The Bank strengthened the development of its AML professional talent pool, conducted on-site AML inspections of subsidiaries, and continued to enhance regular training, communication and coordination.

2.11 Internal Audit

The Bank has established an independent and vertical system for internal audit, with the internal audit departments carrying out work under the leadership of the Board of Directors, to which they are responsible and report their work. The Board of Directors assumes ultimate responsibility for the independence and effectiveness of the internal audit and provides necessary support to ensure an independent and objective internal audit. The Bank's internal audit departments consist of the Head Office's Audit Department and eight regional audit centers under its direct management, which perform the duty of audit and supervision and are independent from business operations, risk management, and internal control and compliance.

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36 Including money laundering risk, terrorist financing risk, and risk of evasion of targeted financial sanctions associated with proliferation financing.

During the reporting period, focusing on the Bank's development strategy and central tasks, the Bank's internal audit adhered to value guidance as the core, took quality and efficiency improvement as the means, and relied on its comprehensive supervision framework to fully develop a new audit paradigm that is digital and intelligent, agile, service-oriented and value-driven. The Bank coordinated efforts in both identifying issues through audits and following up on their remediation. Attaching equal importance to oversight and services, the Bank continued to refine its audit service system, strengthened the audit management framework and team building, thereby continuously enhancing the quality and efficiency of audit oversight.

During the reporting period, guided by a risk and value-oriented approach and staying focused on the objectives of "strengthening internal control, preventing risks, reducing costs and enhancing efficiency", the Bank implemented national policies and regulatory priorities and conducted special audits on corporate real estate loans, consumer rights protection, AML, M&A loans, management of overseas branches, information security and other areas. Focusing on corporate governance, strategy implementation and key business areas, the Bank also carried out special audits on capital management, transaction banking, financial asset risk classification, comprehensive risk management, cloud computing, and IT application innovation management. It adhered to a mutually reinforcing, dual-track approach that examines individuals through audited matters and traces matters through the individuals concerned, and intensified audits of key areas such as procurement management, non-performing asset disposal and financial expenses, as well as personnel in key positions. It further promoted systematic and root-cause remediation of issues identified through audit, deepened the application of audit results, and supported high-quality and sustainable development of the Bank.

2.12 Material Investments, Material Acquisitions, and Material Sales of Assets and Equity

2.12.1 Capital Increase in CITIC Financial Leasing

On 4 February 2026, the Board of Directors of the Bank reviewed the *Proposal on the Capital Supplement Plan for CITIC Financial Leasing Co., Ltd.* and approved the Bank's cash capital increase of RMB2.0 billion in CITIC Financial Leasing using its own funds. The capital increase remains subject to approval by the relevant regulatory authorities. Upon completion, CITIC Financial Leasing's registered capital will rise from RMB10.0 billion to RMB12.0 billion, with the Bank maintaining its 100% equity interest in the company. For further information, please refer to relevant announcements disclosed by the Bank on 5 February 2026 on the websites of the SSE (www.sse.com.cn), HKEXnews (www.hkexnews.hk) and the Bank (www.citicbank.com).

2.12.2 Investment in Yunnan Hongta Bank

On 20 March 2026, the Board of Directors of the Bank reviewed the *Proposal on External Equity Investment and Authorization* and approved the Bank's acquisition of 14.52% equity interest in Yunnan Hongta Bank through a publicly listed transfer on a property rights exchange. On 26 June 2026, the Bank received a notification from Yunnan Hongta Bank that it had received the *Approval of the Yunnan Financial Regulatory Bureau on the Change in Shareholding of Yunnan Hongta Bank (Yun Jin Fu [2026] No. 93)* issued by the Yunnan Office of the NFRA, approving the Bank's acquisition of 914.45 million shares held by Kunming Industrial Development and Investment Co., Ltd. On the same day, the Bank completed the share transfer and formally became a shareholder of Yunnan Hongta Bank, holding 914.45 million shares in Yunnan Hongta Bank, representing 14.52% of its shareholding. For further information, please refer to the relevant announcements disclosed by the Bank on 21 March 2026 and 27 June 2026 on the websites of the SSE (www.sse.com.cn), HKEXnews (www.hkexnews.hk) and the Bank (www.citicbank.com).

During the reporting period, except for the aforesaid matters and the day-to-day businesses such as transfer of credit assets that are involved in the Bank's normal business operation, the Bank had no other material investments, acquisitions, or sales of assets or equity.

2.13 Information about Structured Entities

For relevant information about structured entities beyond the scope of the Bank's consolidated financial statements, please refer to Note 57 to the financial statements of this report.

2.14 Outlook

Looking ahead to the second half of 2026, although the international landscape remains complex and volatile and the domestic imbalance between strong supply and weak demand persists, China's economic growth is underpinned by favorable conditions and strong support. From the perspective of aggregate growth, the economy grew by 4.7% in the first half of the year, laying a solid foundation for achieving the major targets for the year, particularly the growth target. From the perspective of economic structure, new growth drivers contributed more than 40% directly to economic growth and maintained strong development momentum. In the second half of the year, new growth drivers are expected to remain a strong force underpinning and leading economic development, while the accelerated transformation and upgrading of traditional industries will also provide additional support. From a policy perspective, the effects of existing policies will continue to materialize, and the government will introduce practical and effective incremental policies in a timely manner, strengthen countercyclical adjustments, and promote the economy toward innovation-driven and high-quality development.

The Bank will continue to firmly adhere to its development strategies, deepen comprehensive customer management, and steadily advance the development of a value bank. Committed to the "four business themes", the Bank will further upgrade the "Two Stabilizations and Two Expansions" approach to "Two Stabilizations and Two Strengthenings", consolidating the foundation for development by stabilizing net interest margin and asset quality, while seeking breakthroughs and incremental growth by strengthening the customer base and fee-based business income. The Bank will operate in compliance with laws and regulations, strictly control costs, accelerate digital and intelligent transformation, and form a development pattern characterized by "corporate banking as the main driver, retail banking as a stable contributor, financial markets as a revenue enhancer, and risk control as a value creator," so as to achieve high-quality development.

First, enhancing the effectiveness of financial services to the real economy and improving the precision of financial products and service provision. The Bank will actively align itself with the national strategy for coordinated regional development and concentrate resources on supporting key projects in regions such as the Beijing-Tianjin-Hebei region, the Yangtze River Delta, the Guangdong-Hong Kong-Macao Greater Bay Area, and Chengdu-Chongqing Economic Circle. The Bank will provide targeted support for major national strategies, key areas and weak links, increase resource investment in the transformation and upgrading of traditional industries as well as emerging industries such as integrated circuits and high-end equipment manufacturing, and focus on areas such as new-type energy storage, aerospace, biological medicine and intelligent robot. The Bank will leverage CITIC Group's coordinated advantage of "full licenses in finance and wide coverage in industries", continuously expand its collaborative ecosystem, and provide customers with professional and comprehensive financial services that are one-stop, customized, scenario-based and cover the full lifecycle. The Bank will enhance the system and mechanism support, constantly improve the capability of product innovation and system integration, continuously improve the coverage and accessibility of financial services, and support the high-quality development of the real economy.

Second, focusing on key areas to build core competitive advantages. To build an excellent wealth management bank, the Bank will continue to strengthen its capacity building, comprehensively deepen customer management, and optimize customer, product, channel and regional structures to steadily increase value contribution. **To build an excellent comprehensive financing bank,** the Bank will proactively align itself with the national strategic plans for the 15th Five-Year Plan period and leverage CITIC Group's comprehensive financial ecosystem to build an integrated financing service system covering the entire market, all financial licenses and all scenarios. **To build an excellent investment and trading bank,** the Bank will focus on four major lines of business: investment, agency business, asset management and custody business, to strengthen collaboration and coordination, optimize resource allocation, and tap into the value of ecosystem-based management of interbank customers. **To build a leading payment and settlement bank,** the Bank will leverage platforms such as Tianyuan Treasury and Xiao Tianyuan to improve customer settlement services by category and segment, thereby strengthening its corporate demand deposit base. Meanwhile, it will consolidate its advantages in sectors such as automotive finance and continue to improve its supply chain finance service system. **To build a leading cross-border service bank,** the Bank will seize the important opportunities arising from foreign trade growth and companies expanding overseas, substantially enhance cross-border credit services, and capitalize on the trend of RMB internationalization to accelerate the growth of cross-border RMB business. Overseas institutions will strengthen their functions, expand their scale and accelerate their value contribution. **To build a leading digital and intelligent bank,** the Bank will focus on key scenarios such as customer insights and omnichannel marketing and accelerate the development of a range of high-value AI applications. Focusing on customer management areas such as optimal product allocation and business value maximization, the Bank will establish a working model based on "data-driven insights and model-based decision-making".

Third, strengthening the safeguards for secure development and enhancing value creation through risk management. In response to changes in the risk landscape and major risk factors, the Bank continued to improve its risk control system, established a long-term mechanism for the application of advanced approaches to capital measurement, and fostered a sound risk prevention and control structure featuring coordinated efforts across the three lines of defense and comprehensive controls covering the Head Office, branches, and sub-branches, as well as the parent bank and subsidiaries. Focusing on key areas and weak links, the Bank intensified efforts to curb new risks at source, strengthened customer selection and proactive post-lending and post-investment management, took a forward-looking approach to guarding against external shocks, and strengthened risk prevention and control at an earlier stage. It accelerated risk resolution through differentiated measures, deepened the management of problem assets, and minimized losses while improving efficiency. It also accelerated the digital and intelligent transformation of risk control and strengthened its risk control talent pool, so as to enhance its core competitiveness in risk management.

Fourth, strengthening internal control and compliance management to consolidate the foundation for sound development. The Bank will press ahead with the six special initiatives on case prevention management, compliance management of tier-two branches, compliance management of subsidiaries, AML management, sanctions management and overseas compliance management. It will deepen look-through governance of internal control and compliance and strengthen risk defenses. The Bank will carefully oversee the rectification of issues identified by regulators, implement rectification measures in a meticulous manner, strengthen verification of rectification efforts, and ensure the quality and effectiveness of rectification measures. The Bank will further advance the "Safe CITIC" initiative, strengthen oversight of key regions, key institutions and key personnel, and effectively prevent and control case risk. The Bank will enhance coordinated management and control of money laundering risk, accelerate the implementation of new regulatory requirements, optimize customer due diligence mechanisms, intensify the management of money laundering risk associated with products, and strengthen proactive risk prevention capabilities.

CHAPTER 3 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

3.1 Overview of Corporate Governance

During the reporting period, the Bank adhered to the principle of high-quality development, earnestly implemented the country's decisions and plans as well as regulatory requirements, integrated the Party leadership into all processes and aspects of corporate governance, continuously improved its corporate governance system and mechanism, and accelerated the enhancement of its corporate governance capability, thereby raising its corporate governance efficiency in an all-round manner. The Board of Directors and its special committees operated according to rules, ensuring the smooth coordination as well as checks and balances among governing bodies. The channels for directors to perform their duties were further broadened, the ways in which they performed their duties were further improved, and their capabilities of performing duties were further enhanced. The Bank attached great importance to and gave full play to the supervision and checks and balances of independent directors and fully safeguarded their right to know and other legal rights.

The Board of Directors continued to strengthen its self-improvement, in the light of overall duty performance, giving full play to its functions in formulating strategies, making decisions, and preventing risk, and ensured effective alignment between the Party Committee's role in setting the direction, overseeing the overall situation, and ensuring implementation and the senior management's role in managing operations, driving execution, and strengthening management, to advance the high quality development of the Bank. Adhering to national strategic orientation, it vigorously supported the real economy, focused on the "Five Priorities" in finance, continuously intensified financial support for major national strategies, key areas and weak links, and delivered high-quality financial services to promote the development of the real economy. Giving full play of its function in strategic guidance, the Board of Directors comprehensively advanced the implementation of strategic plans, and further improved its full-process strategic management system. It focused on value creation, deepened value operation, and strengthened value communication. It actively promoted the light-capital transformation and development and the comprehensive upgrading of financial technology empowerment, thereby making the business structure more coordinated and stable. Confronted with the complicated external environment, the Board of Directors upheld the concept of prudent risk management, kept improving the comprehensive risk management system, and continuously enhanced internal control and compliance management.

The senior management of the Bank carried out operation and management activities strictly in accordance with the Bank's Articles of Association and the authorization of the Board of Directors, and earnestly implemented the resolutions adopted by the shareholders' meeting and the Board of Directors. There was no material difference between the set-up and operation of the Bank's corporate governance bodies and the relevant requirements of the *Company Law of the People's Republic of China*, the NFRA, the CSRC and the SEHK; neither were there any major corporate governance issues that the regulatory authorities had required to resolve but that remained outstanding.

3.1.1 Convening of Shareholders' Meetings, Board Meetings and Senior Management Meetings

3.1.1.1 Shareholders' Meeting

During the reporting period, the Bank convened two extraordinary shareholders' meetings and one annual shareholders' meeting, where nine proposals were reviewed and approved. These meetings were all convened in compliance with the procedures specified in the Articles of Association of the Bank. Relevant resolutions of the shareholders' meetings were disclosed by the Bank on the official websites of the SSE (www.sse.com.cn), HKEXnews (www.hkexnews.hk) and the Bank (www.citicbank.com).

On 10 April 2026, the Bank held the first extraordinary shareholders' meeting of 2026 in Beijing. Chairman of the Bank, Mr. Fang Heying, presided over the meeting. Some other directors, the board secretary and some senior management members were present at the meeting as non-voting attendees. The extraordinary shareholders' meeting reviewed and approved one proposal regarding the extension of the authorization period to the Board of Directors and its authorized person(s) to deal with relevant matters in relation to the Rights Issue.

On 13 May 2026, the Bank held the second extraordinary shareholders' meeting of 2026 in Beijing. Chairman of the Bank, Mr. Fang Heying, presided over the meeting. Some other directors, the board secretary and some senior management members were present at the meeting as non-voting attendees. The extraordinary shareholders' meeting reviewed and approved three proposals on the 2025 annual report, the 2025 annual final accounts report and the profit distribution plan for 2025.

On 17 June 2026, the Bank held the annual shareholders' meeting of 2025 in Beijing. Chairman of the Bank, Mr. Fang Heying, presided over the meeting. All other directors, the board secretary and some senior management members were present at the meeting as non-voting attendees. The annual shareholders' meeting reviewed and approved five proposals on the 2026 fixed asset investment budget plan, the engagement of accounting firms and their fees for 2026, the report of the Board of Directors for 2025, the election of Mr. Lyu Tiangui as executive director of the 7th Session of the Board of Directors of the Bank, and the extension of the effective period of the resolution on the Rights Issue reached by the shareholders' meeting.

3.1.1.2 Board of Directors

As at the disclosure date of this report, the Bank's 7th Session of the Board of Directors comprised ten members, with independent directors accounting for more than one-third of the total board membership. For details thereof, please refer to "Overview of Directors and Senior Management Members" of this chapter.

During the reporting period, the Board of Directors held seven meetings in total (including five on-site meetings and two meetings through circulation of written resolutions), at which it reviewed and approved 59 proposals on the 2025 annual report and the report for the first quarter of 2026, the 2025 sustainability report, the profit distribution plan for 2025, the 2026 business plan, the 2026 fixed asset investment budget plan, the comprehensive risk management reports for 2025 and the first quarter of 2026, the engagement of accounting firms and their fees for 2026, the 2026 risk appetite statement, the report regarding the application for acceptance check on advanced approaches for capital measurement, the appointment of Mr. Lyu Tiangui as President, the appointment of Mr. Zhao Yuanxin as Vice President, the appointment of Mr. Shen Qiang as Vice President, and the appointment of Ms. Zhang Qing as Business Director, etc.; and listened to 25 presentations, including circulars of recent relevant policy updates, the ESG management report, reports on business performance in 2025 and the first quarter of 2026, the report on internal control, compliance and anti-money laundering for 2025, the report on non-performing asset disposal for 2025, the 2025 report on the credit risk internal rating system, and the assessment report on plan implementation in 2025. In accordance with regulatory requirements and the Bank's Articles of Association, relevant significant matters were all submitted to the on-site meetings of the Board of Directors for deliberation. Matters requiring voting by written resolutions and eligible for the same as per laws, regulations and the Articles of Association of the Bank were deliberated on and approved at the meetings of the Board of Directors for voting by written resolutions.

3.1.1.3 Senior Management

The senior management is accountable to the Board of Directors. There is a strict division of duties and separation of powers between the Bank's senior management and the Board of Directors. Pursuant to the Articles of Association and as authorized by the Board of Directors, the senior management carries out operational and management activities and actively executes the resolutions of the shareholders' meeting and the Board of Directors. The Board of Directors evaluates the performance of the senior management members, the results of which shall be used as the basis for determining remuneration and other incentive plans for the senior management members. The senior management should promptly, accurately and completely report the Bank's operation and management and provide relevant materials as required by the Board of Directors. As at the disclosure date of this report, the Bank's senior management comprised nine members. For details thereof, please refer to "Overview of Directors and Senior Management Members" of this chapter.

3.1.2 ESG Governance Information

The Bank has continuously improved a sustainability governance structure that consists of the shareholders' meeting, the Board of Directors and the senior management, forming a sustainability management system that features top-down leadership, innovation-driven approach, mutual promotion and coordinated operation.

3.1.2.1 Duty Performance of the Board of Directors

The Bank's sustainable development work is comprehensively supervised and guided by the Board of Directors. The Board of Directors has formulated the *Environmental, Social and Governance (ESG) Management Measures* and the *ESG Management Plan* as the guiding documents for ESG management. The Strategic and Sustainable Development Committee of the Board of Directors is responsible for coordinating and promoting the building of the Bank's ESG system, reviewing ESG-related work reports, and implementing other ESG-related work pursuant to regulatory requirements. Other special committees of the Board of Directors jointly advance ESG-related management according to their respective responsibilities.

Special committee of the Board of Directors	**Performance of duties**
Strategic and Sustainable Development Committee	The committee reviewed and approved a number of proposals on the 2025 sustainability report, the profit distribution plans for 2025 and the first half of 2026, etc. It listened to presentations, including the assessment report on plan implementation in 2025 and the ESG management report. The committee kept enhancing the Bank's ESG system and promoted the in-depth integration of the sustainability philosophy into the Bank's strategic decisions.
Risk Management Committee	The committee reviewed and approved a number of proposals on the 2026 risk appetite statement, the comprehensive risk management reports for 2025, the first quarter of 2026 and the first half of 2026, etc. It listened to presentations, including the annual self-assessment report on case risk prevention and control and employee conduct management for 2025. The committee optimized the risk appetite framework, strengthened integrated risk management and control across the Group, deepened the development of a risk compliance culture, and consolidated the foundation for risk compliance management.
Audit Committee	The committee reviewed and approved a number of proposals on the 2025 annual report, the internal control assessment, the engagement of accounting firms, etc. It listened to presentations on the internal control, compliance and anti-money laundering work in 2025 and the first half of 2026, the operating results for 2025, etc. The committee fully performed its oversight responsibility, urged the strengthening of internal controls, and continued to make corporate governance more standardized.

Special committee of the Board of Directors	Performance of duties
Related Party Transactions Control Committee	The committee reviewed and approved proposals concerning related party transactions, and fully considered the compliance and fairness of related party transactions to effectively safeguard the legitimate rights and interests of stakeholders.
Nomination and Remuneration Committee	The committee reviewed and approved proposals on the nomination of candidates for directors, the appointment of senior management members, the review of the Diversity Policy of the Board of Directors, etc. It put forward suggestions on the selection and appointment of directors and senior management members, continuously improved the professionalism and diversity of the Board of Directors and senior management, and constantly enhanced corporate governance.
Consumer Rights Protection Committee	The committee reviewed and approved proposals on the Bank's consumer rights protection work summary for 2025 and work plan for 2026, etc. It supervised and guided the Bank's development of consumer rights protection framework and mechanisms, complaint management, and others, thereby continuing to improve the quality and efficiency of consumer rights protection.

3.1.2.2 Duty Performance of Senior Management and Subordinate Institutions

The Bank has established the Working Group on Market Value and ESG Management to coordinate and advance market value and ESG management work across the Bank. In addition, it has set up a number of deliberative bodies relating to ESG matters, including the Risk and Internal Control Committee, the Internal Control and Compliance Management Committee, the Consumer Rights Protection Committee, the Information Technology Committee, the Credit Approval Committee, the Anti-Money Laundering (AML) Work Leading Group, the Inclusive Finance & Rural Revitalization Leading Group, and the Green Finance Leading Group. These bodies are responsible for formulating development plans for ESG-related matters, overseeing daily management, and supervising ESG risk management activities in the course of business operations. During the reporting period, the above-mentioned deliberative bodies focused on ESG-related matters, effectively advanced the implementation of key initiatives, and continued to enhance the Bank's ESG governance effectiveness.

3.1.3 Overview of Directors and Senior Management Members

3.1.3.1 Overview of Directors and Senior Management Members

As at the disclosure date of this report, the Bank's directors and senior management members were listed as follows:

Name	Position	Gender	Date of birth	Term of office	Shareholding at the beginning of the reporting period	Shareholding at the end of the reporting period
Fang Heying	Chairman	Male	Jun. 1966	Aug. 2023-Jun. 2027	1,000,000	1,000,000
	Executive Director			Sep. 2018-Jun. 2027		
	Board Secretary on an acting basis			Since Jun. 2026		
Wei Qiang	Non-executive Director	Male	Oct. 1974	Nov. 2025-Jun. 2027	0	0
Lyu Tiangui	Executive Director	Male	Oct. 1972	Aug. 2026-Jun. 2027	1,000,000	900,000
	President			Jun. 2026-Jun. 2029		
	Chief Compliance Officer			Since Jun. 2026		
Hu Gang	Executive Director	Male	Mar. 1967	Oct. 2024-Jun. 2027	1,627,000	1,627,000
	Vice President			Since May 2017		
Wang Yankang	Non-executive Director	Male	Mar. 1971	Apr. 2021-Jun. 2027	0	0
Fu Yamin	Non-executive Director	Male	Feb. 1979	Aug. 2025- Jun. 2027	0	0
Liu Tsz Bun Bennett	Independent Non-executive Director	Male	Dec. 1962	Jun. 2022-Jun. 2027	0	0
Zhou Bowen	Independent Non-executive Director	Male	Oct. 1976	Aug. 2023-Jun. 2027	0	0
Wang Huacheng	Independent Non-executive Director	Male	Jan. 1963	Oct. 2023-Jun. 2027	0	0
Song Fangxiu	Independent Non-executive Director	Female	Apr. 1976	Oct. 2023-Jun. 2027	0	0
Xie Zhibin	Vice President	Male	May 1969	Since Jun. 2019	907,000	907,000
Gu Lingyun	Vice President	Male	Feb. 1978	Since Mar. 2025	0	0
Jin Xinian	Vice President	Male	Mar. 1971	Since Aug. 2025	0	0
	Chief Risk Officer			Since Dec. 2025		
Zhao Yuanxin	Vice President	Male	Feb. 1974	Since May 2026	314,000	314,000
Shen Qiang	Vice President	Male	Mar. 1974	Since Jul. 2026	216,000	216,000
Lu Jingen	Business Director	Male	Jun. 1969	Since Aug. 2018	553,000	553,000
Zhang Qing	Business Director	Female	Aug. 1968	Since Jun. 2026	650,000	650,000
Non-incumbent personnel						
He Jinsong	Vice President	Male	Dec. 1968	Oct. 2024-Jul. 2026	760,000	760,000
Zhang Qing	Board Secretary	Female	Aug. 1968	Jul. 2019-Jun. 2026	650,000	650,000

Notes:

(1) The commencement of the terms of office of the re-engaged directors and senior management members listed above is the time of their respective initial engagement.

(2) The shares of the Bank held by the directors and senior management members set out in the above table are all ordinary H shares. During the reporting period, changes in the number of shares of the Bank held by them were caused by secondary market trading. As at the end of the reporting period, incumbent senior management members and senior management members leaving office during the reporting period neither held relevant share options nor were granted restricted shares.

3.1.3.2 Appointment, Resignation and Dismissal of Directors and Senior Management Members

Directors

On 17 June 2026, the Bank's annual shareholders' meeting of 2025 elected Mr. Lyu Tiangui as an executive director of the 7th Session of the Board of Directors of the Bank. Mr. Lyu Tiangui officially assumed office as an executive director of the Bank from 17 August 2026 upon the approval of his qualification by the NFRA.

Senior management members

On 20 March 2026, the Board of Directors of the Bank reviewed and approved the relevant proposal and appointed Mr. Zhao Yuanxin as Vice President of the Bank. On 7 May 2026, Mr. Zhao Yuanxin officially assumed office as Vice President of the Bank upon approval by the NFRA.

On 20 May 2026, the Board of Directors of the Bank reviewed and approved the relevant proposal and appointed Mr. Lyu Tiangui as President and Chief Compliance Officer of the Bank. On 15 June 2026, upon approval by the NFRA, Mr. Lyu Tiangui officially assumed office as President of the Bank and concurrently served as Chief Compliance Officer.

On 20 May 2026, the Board of Directors of the Bank reviewed and approved the relevant proposal and appointed Mr. Shen Qiang as Vice President of the Bank. On 24 July 2026, upon approval by the NFRA, Mr. Shen Qiang officially assumed office as Vice President of the Bank.

On 26 June 2026, Ms. Zhang Qing resigned from her position as board secretary of the Bank due to work requirements. Ms. Zhang Qing's resignation took effect on 26 June 2026. During the vacancy of the position of board secretary, Mr. Fang Heying, Chairman of the Bank, performed the duties of the board secretary on an acting basis. On the same day, the Board of Directors of the Bank reviewed and approved the relevant proposal and appointed Ms. Zhang Qing as business director of the Bank.

On 31 July 2026, Mr. He Jinsong resigned from his position as Vice President of the Bank due to change of work arrangements.

3.1.3.3 Changes in Information of Directors and Senior Management Members

Mr. Lyu Tiangui, an executive director, President and Chief Compliance Officer of the Bank, served concurrently as a director of CIFH.

Mr. Fu Yamin, a non-executive director of the Bank, served as Vice Chairman and general manager of Quzhou City Investment Development Group Co., Ltd. and Chairman and general manager of Quzhou Urban Construction Investment Group Co., Ltd. He ceased to serve as Chairman of Quzhou Development and as director and deputy general manager of Quzhou Industrial Holding Group Co., Ltd.

Ms. Song Fangxiu, an independent director of the Bank, ceased to serve as deputy secretary of the Party Committee of the School of Economics, Peking University.

3.1.3.4 Work Performance of Independent Directors

The independent non-executive directors of the Bank had no business or financial interests in the Bank or its subsidiaries, and did not hold any other positions in the Bank other than directors. The Bank protected independent non-executive directors' right to know, and provided them with the necessary information in a timely manner and the necessary working conditions for performing duties. During the reporting period, pursuant to regulatory requirements and the Articles of Association of the Bank, the independent non-executive directors of the Bank performed their duties with good faith, independence and diligence, and exercised their legal rights such as the right to know and right to make decisions in accordance with laws and regulations. They earnestly participated in the shareholders' meetings and the meetings of the Board of Directors and its special committees, made independent, professional and objective judgments, and expressed objective, fair and independent opinions, to safeguard the legitimate rights and interests of the Bank, its minority shareholders and financial consumers. The independent non-executive directors of the Bank ensured sufficient time and energy to effectively perform their duties, and their entrustment to attend board meetings on proxy complied with regulatory provisions.

3.1.4 Management of Related Party Transactions

The Bank attached great importance to the management of related party transactions, improved the management mechanism for related party transactions, enhanced internal control management, review and approval, advanced the IT application and intelligent development of related party transactions, and raised the management quality and efficiency for related party transactions. The Bank promoted the creation of synergistic value and shareholder value under the premise of compliance, and effectively safeguarded the interests of the Bank and its shareholders.

The Bank effectively performed its obligations of reviewing and disclosing the related party transactions, submitted all material related party transactions to the Related Party Transactions Control Committee of the Board of Directors for review and to the Board of Directors for approval, disclosed such transactions, and reported to the NFRA, in strict compliance with relevant requirements on the management of related party transactions. All related party transactions subject to disclosure were submitted to special meetings of independent directors for review. All the members of the Related Party Transactions Control Committee of the Board of Directors were independent directors. The committee carried out preliminary reviews of material related party transactions and expressed independent opinions thereabout on behalf of minority shareholders to ensure that such transactions were made pursuant to internal approval procedures and in a fair manner on terms no more favorable than those available to independent third parties and in the overall interests of the Bank and all of its shareholders.

During the reporting period, the Bank continued to strengthen the management of related party transactions, enhanced dynamic management of related parties, refined pricing management for related party transactions, and made arrangements in advance for applications for upper limits on related party transactions, to ensure that related party transactions were conducted in a compliant and orderly manner. The Bank enhanced dynamic management of related parties by establishing a regular review mechanism for related party lists, optimizing screening and identification rules for suspected related legal entities, and conducting dedicated training on the review of the scope of related natural persons, thereby improving the timeliness and accuracy of related party identification. The Bank refined pricing management requirements. It further specified requirements for the pricing management of deposits and loans under related party transactions, clarified specific pricing methodologies and requirements for retaining supporting documentation to substantiate the fairness of related party transactions, and provided practical guidance for business units to implement pricing management requirements for related party transactions. The Bank made arrangements in advance for applications for upper limits on related party transactions. In accordance with exchange rules, it reviewed business needs involving related parties for 2027 to 2029, prudently estimated three-year upper limits on related party transactions, and completed the review and disclosure procedures for related party transactions in accordance with the requirements of the stock exchanges.

3.1.5 Investor Relations Management

The Bank attached great importance to communication and engagement with investors. Focusing on investors' needs, the Bank continuously enhanced the depth and breadth of communication with investors, and actively conveyed to the market its measures and achievements in promoting high-quality development.

During the reporting period, the Bank abided by the relevant requirements of the shareholder communication policy of the SEHK, and solicited shareholders' opinions and suggestions through the investor mailbox and hotline, SSE e-interactive platform and other channels. It published announcements ahead of the release of results presentations to publicly solicit issues of concern from investors, strengthen exchanges with shareholders, protect the right to know, and ensure the effective implementation of the shareholder communication policy.

During the reporting period, the Bank held its 2025 annual results presentation via both live streaming and an onsite meeting, and broadcast the entire event via the China CITIC Bank app and several other online platforms. Following the presentation, the Bank released Q&A transcripts for investors who were unable to attend the conference for the Bank's operation and management updates in time. In addition, following the release of its periodic results, the Bank proactively conducted investor outreach, with the senior management leading results roadshows for institutional investors in China and overseas. During these sessions, the Bank provided in-depth updates on its operating performance and development strategies, demonstrated its operational achievements and growth momentum, and reinforced investor recognition of its value characterized by "high dividends, stable growth and strong resilience".

During the reporting period, the Bank held more than 60 investor exchanges in the form of hosting roadshows, receiving investor research visits and attending strategy meetings held by securities companies. The Bank recorded the above-mentioned investor reception and communication activities according to relevant regulatory requirements, and properly kept relevant documents. Moreover, to effectively protect the rights and interests of small and medium investors, the Bank designated employees to respond to investor inquiries on the SSE e-interactive platform, answer questions received through the investor hotline and email, and actively maintain communication and exchanges with them, so as to convey the Bank's investment value to investors who followed the Bank's development.

To promote its high-quality development, create greater investment value, and protect the legitimate rights and interests of investors, particularly small and medium-sized investors, the Bank actively responded to the SSE's *Initiative on Launching the "Corporate Value and Return Enhancement" Special Action for SSE-listed Companies (Version 2.0)*. Based on its own development strategy and business conditions, the Bank formulated the *"Corporate Value and Return Enhancement" Action Plan for 2026* on the basis of the 2025 version. The Bank evaluated and analyzed relevant work from the perspectives of business activities, shareholder returns and standardized operations, and proposed targeted measures. For details, please refer to relevant announcement published by the Bank on the disclosure date of this report on the websites of the SSE (www.sse.com.cn), HKEXnews (www.hkexnews.hk), and the Bank (www.citicbank.com).

3.1.6 Corporate Culture Development

The Bank took the "Nine Initiatives"[37] program as the overarching framework for developing its corporate culture, to further consolidate and strengthen the role of culture in shaping values, reinforcing foundations, empowering development and providing care and support, thereby providing rich cultural nourishment and strong spiritual impetus for the implementation of its new development strategy. During the reporting period, the Bank organized all employees to study and discuss the practical requirements of the "Five Dos and Five Don'ts" and the values of "hard work, responsibility, agility, collaboration, execution and pragmatism". By reviewing existing policies and establishing new ones, the Bank transformed valuable experience into long-term mechanisms and established a closed-loop approach to fostering a financial culture with Chinese characteristics that progresses from mindset transformation to action-oriented breakthroughs and ultimately to practice institutionalization. The Bank carried out a special initiative to collect case studies on "Culture-Empowered Business

[37] The "Nine Initiatives" program includes studying a guiding framework, organizing a cultural forum, holding a discussion seminar, promoting a group of role models, hosting speech events, conducting communication campaigns, showcasing best practices, reviewing revolutionary heritage resources, and establishing a communication platform.

Development". Focusing on key areas such as the integration of culture into innovative development, collaboration and coordination, risk management and control, customer management and technological breakthroughs, the initiative distilled valuable, substantive and effective exemplary practices and provided the entire Bank with practical references and methodological tools that are tangible, accessible and replicable. Under the CITIC Group's "Reading at CITIC" campaign, the Bank launched the "Reading at CITIC: Reading for All" campaign to foster a culture of reading and inspire employees' enthusiasm for reading. In addition, the Bank organized a variety of popular employee activities, including the "Spring Festival Blessings" event and a Lantern Festival Singing Competition, actively carried out initiatives to build an organization with a caring corporate culture. These efforts enhanced employees' cultural and ethical awareness and created a positive, progressive and enterprising workplace.

3.1.7 Compliance Culture Development

The Bank remained committed to cultivating and promoting the compliance philosophy of "Upholding Integrity and Right Path toward Sustainable Progress". It launched a tiered, categorized and diversified compliance training system and delivered tailored programs for different groups, including management personnel, three types of new employees[38] and all employees, to continuously reinforce compliance requirements. During the reporting period, the Bank conducted seven compliance training sessions for key positions, including heads of compliance departments at tier-two branches, newly appointed heads of sub-branches and potential candidates for management positions at the division level, as well as six pre-job training and examination sessions for the three types of new employees. The Bank also held the launch ceremony for the 2026 Case Prevention and Risk Mitigation Campaign and the All-Employee Warning Education Conference, where typical violations in key business areas and critical positions were reported by real name, so as to continuously foster a strict compliance culture.

The Bank attached great importance to the management and supervision of employee conduct. It formulated the *Management Measures for Employee Conduct of China CITIC Bank* and other relevant policies, and coordinated the formulation of the Employee Code of Conduct and detailed conduct rules for various business areas. It continued to strengthen the supervision of abnormal employee behaviors and targeted risk mitigation through measures such as advancing the Case Prevention and Risk Mitigation Campaign, implementing abnormal behavior monitoring, and conducting unannounced inspections.

3.1.8 Information Disclosure and Transparency

During the reporting period, strictly following the principles of truthfulness, accuracy, completeness, timeliness and fairness, abiding by laws and regulations, and in light of the information needs of investors, the Bank published nearly 200 periodic reports, ad hoc announcements and other documents at the SSE and the SEHK. Meanwhile, the Bank kept improving the framework and content of its periodic reports, increased responses to market trends and investor concerns, constantly enhanced the pertinence and effectiveness of information disclosure, and provided investors with timely, sufficient and effective information to effectively protect investors' right to know.

[38] Including newly recruited employees, newly transferred employees and newly promoted employees.

3.1.9 Profit Distribution

The formulation and implementation of the Bank's cash dividend policy comply with the Articles of Association of the Bank and the requirements of the resolutions adopted by the shareholders' meeting. The dividend standards and proportions are clear and definite, and the decision-making process and mechanism are complete. The 2025 profit distribution plan proposed by the Board of Directors of the Bank was endorsed by the independent non-executive directors and approved by more than 99.99% of the votes cast by all shareholders and more than 99.99% of the votes cast by A share minority shareholders holding less than 5% of the shares at the second extraordinary shareholders' meeting of 2026 convened on 13 May 2026, effectively protecting the rights and interests of all shareholders.

3.1.9.1 Profit Distribution Plan for 2025

Upon review and approval by the second extraordinary shareholders' meeting of 2026, the Bank paid dividends of ordinary shares for 2025 in cash to the A shareholders on the register as at 9 June 2026 and the H shareholders on the register as at 26 May 2026. The cash dividend was RMB1.93 (tax-inclusive) per 10 shares, with a total amount of approximately RMB10.740 billion (tax inclusive) of cash dividends for ordinary shares. The 2025 profit distribution plan of the Bank was explained in detail in the 2025 annual report, meeting materials for the second extraordinary shareholders' meeting of 2026, the H-share circular of the second extraordinary shareholders' meeting of 2026, the announcement on the implementation of dividend distribution of A ordinary shares for the year 2025, the announcement on the final dividend for the year ended 31 December 2025, and the announcement on poll results of the second extraordinary shareholders' meeting of 2026. For details, please refer to the relevant announcements published on the websites of SSE (www.sse.com.cn), HKEXnews (www.hkexnews.hk), and the Bank (www.citicbank.com).

3.1.9.2 Interim Profit Distribution for 2026

The consolidated net profit attributable to shareholders of the Bank for the first half of 2026 was RMB37.602 billion, and the consolidated net profit attributable to ordinary shareholders of the Bank excluding interests on undated bonds was RMB35.196 billion. The Bank plans to pay interim cash dividends to all ordinary shareholders based on the Bank's total share capital on the register date, and the cash dividends for A shares and H shares on the register shall be RMB2.03 per 10 shares (tax inclusive). With reference to the total of 55,645,162,264 A shares and H shares on the register as at 30 June 2026, the total interim cash dividends for ordinary shares shall be RMB11,295,967,939.59 (tax inclusive), accounting for 30.04% of the consolidated net profit attributable to shareholders of the Bank for the first half of 2026 and 32.09% of the net profit attributable to ordinary shareholders of the Bank.

The Bank shall maintain the total amount of dividends unchanged and adjust the dividends per share when there is a change in the Bank's total shares before the register date. The Bank will disclose in relevant announcements when there is such a change. Cash dividends shall be denominated and declared in Renminbi and paid to A shareholders in Renminbi and to H shareholders in Renminbi or the equivalent amount in Hong Kong dollar. When paid in Hong Kong dollar, the dividends shall be calculated based on the average benchmark exchange rate of Renminbi to Hong Kong dollar as released by the PBOC one week preceding the convening of the extraordinary shareholders' meeting (inclusive of the date of the meeting), where the Bank reviews the interim profit distribution plan for 2026.

The 2026 interim profit distribution plan (the "**Plan**") of the Bank complies with relevant provisions of the Articles of Association of the Bank and fully protects the legitimate rights and interests of minority investors. After thorough discussion and consideration by the Strategic and Sustainable Development Committee under the Board of Directors of the Bank, the Plan was reviewed and approved at the meeting of the Board of Directors of the Bank convened on 26 August 2026, and shall be submitted to an extraordinary shareholders' meeting of the Bank for approval. It is expected that the Bank will pay the 2026 interim dividends for ordinary shares to its ordinary shareholders within two months after adoption of the Plan by the extraordinary shareholders' meeting. Relevant decision-making procedures and mechanisms of the Plan are complete. The Bank proposed to pay the 2026 interim dividends to H shareholders on 22 December 2026 and shall announce separately if there is any change; the register date and specific method of dividend payment to A shareholders shall be announced separately by the Bank.

The Bank's independent non-executive directors have performed their due responsibilities in the decision-making process of the Plan and expressed their independent opinions on the Plan as follows: the Bank's 2026 interim profit distribution plan is in compliance with relevant laws, regulations, and provisions and requirements of normative documents, consistent with the reality of the Bank, and the need to safeguard the long-term, healthy, and stable development of the Bank, taking the overall interests of both the Bank and its shareholders, especially minority shareholders into consideration. Independent non-executive directors endorsed the Plan and agreed to have the Plan submitted to the shareholders' meeting of the Bank for deliberation.

For details of the 2026 interim profit distribution plan of the Bank, please refer to relevant announcements published on the disclosure date of this report on the official websites of SSE (www.sse.com.cn), HKEXnews (www.hkexnews.hk), and the Bank (www.citicbank.com).

The Bank did not convert its capital reserve into share capital for the first half of 2026.

3.1.10 Implementation of Share Incentive Scheme, Employee Stock Ownership Plan or Other Employee Incentive Measures during the Reporting Period

The Bank did not have a share incentive scheme, employee stock ownership plan or other employee incentive measures in effect as at the end of the reporting period.

3.1.11 Information on Staff and Affiliates

3.1.11.1 Number and Mix of Employees and Affiliates

As at the end of the reporting period, the Group had 67,139 employees[39], of which 14,580 served as business managerial function, 48,524 as business function and 4,035 as supporting function, accounting for 21.72%, 72.27% and 6.01%, respectively. 21,088 employees, 31.41% of the total, held post-graduate degrees or above; 43,577 employees, 64.91% of the total, held bachelor's degrees; and 2,474 employees, 3.68% of the total, with junior college education or below. The Group bore fees for 3,618 retirees.

The regional distribution of the Group's employees is as follows: 18,461 in the Bohai Rim, 13,279 in the Yangtze River Delta, 13,171 in the Pearl River Delta and Western Straits, 8,523 in the Central China, 8,011 in the Western China, 2,388 in the Northeastern China, and 3,306 overseas.

The Group attached great importance to the diversity of its employees, and as at the end of the reporting period, male and female employees (senior management members included) accounted for 45.40% and 54.60% of the total, respectively.

The Bank's Affiliates List (subsidiaries not included)

Division of the region	Name of the affiliate	Business address/Postal code	Number of outlets	Total assets (RMB million)
Headquarters	Head Office	Address: 6-30/F and 32-42/F, Building No. 1, 10 Guanghua Road, Chaoyang District, Beijing Postal Code: 100020	1	3,557,499
	Credit Card Center	Address: CITIC Bank Building, No. 121 Fuhua 1st Road, Futian Street, Futian District, Shenzhen, Guangdong Province Postal Code: 518048	1	449,420

[39] Including various categories of personnel of the Bank, its subsidiaries and joint ventures.

Division of the region	Name of the affiliate	Business address/Postal code	Number of outlets	Total assets (RMB million)
Bohai Rim region	Beijing Branch	Address: Building C, 1/F Building D, 1/F Building E and Room A 1/F Building F of Fuhua Building, No. 8 Chaoyangmen North Street, Dongcheng District, Beijing Postal Code: 100027	87	1,535,061
	Tianjin Branch	Address: A5 No. 162 Zhangzizhong Road, Heping District, Tianjin Postal Code: 300020	38	101,744
	Shijiazhuang Branch	Address: CITIC Tower, No. 10 Ziqiang Road, Qiaoxi District, Shijiazhuang, Hebei Province Postal Code: 050000	65	180,372
	Ji'nan Branch	Address: CITIC Plaza, No. 150 Leyuan Street, Jinan, Shandong Province Postal Code: 250002	51	155,146
	Qingdao Branch	Address: No. 22 Hong Kong Middle Road, Qingdao, Shandong Province Postal Code: 266071	53	149,749
	Dalian Branch	Address: No. 29 Renmin Road, Zhongshan District, Dalian, Liaoning Province Postal Code: 116001	22	51,572
Yangtze River Delta	Shanghai Branch	Address: B1, Room 101-1 1/F, 201-2 2/F, 302-4 3/F, 4/F, 9-15/F, No. 112 & 138 Expo Road, Pudong New Area, Shanghai Postal Code: 200126	62	715,731
	Nanjing Branch	Address: CITIC Tower, No. 348, Zhongshan Road, Nanjing, Jiangsu Province Postal Code: 210008	85	567,012
	Suzhou Branch	Address: West Building, Business Center, Financial Harbor, No. 266 East Suzhou Avenue, Suzhou Industrial Park, Suzhou, Jiangsu Province Postal Code: 215028	29	215,359
	Hangzhou Branch	Address: No. 9 Jiefang East Road, Shangcheng District, Hangzhou, Zhejiang Province Postal Code: 310016	98	742,452
	Ningbo Branch	Address: CITIC Tower, No. 36, Zhenming Road, Haishu District, Ningbo, Zhejiang Province Postal Code: 315010	30	134,804

Division of the region	Name of the affiliate	Business address/Postal code	Number of outlets	Total assets (RMB million)
Pearl River Delta and Western Straits	Fuzhou Branch	Address: Hengli Financial Center, No. 6, Guanfengting Street, Gulou District, Fuzhou, Fujian Province Postal Code: 350000	54	121,918
	Xiamen Branch	Address: 334-101, 201, 301, 401, Hubin South Road, Siming District, Xiamen, Fujian Province Postal Code: 361000	18	35,319
	Guangzhou Branch	Address: CITIC Plaza, No. 233, Tianhe North Road, Tianhe District, Guangzhou, Guangdong Province Postal Code: 510613	107	539,933
	Shenzhen Branch	Address: 5-10/F, North Tower, Phase II Time Square, No.8 Third Central Road, Futian District, Shenzhen, Guangdong Province Postal Code: 518048	55	456,683
	Haikou Branch	Address: Banshan Garden, No. 1 Jinmao Middle Road, Longhua District, Haikou, Hainan Province Postal Code: 570125	11	31,184
Central China region	Hefei Branch	Address: No. 396, Huizhou Avenue, Baohe District, Hefei, Anhui Province Postal Code: 230001	44	154,492
	Zhengzhou Branch	Address: CITIC Bank Building, No. 1 Business Inner Ring Road, Zhengdong New District, Zhengzhou, Henan Province Postal Code: 450000	85	261,699
	Wuhan Branch	Address: CITIC Tower, No. 747 Jianshe Avenue, Hankou, Wuhan, Hubei Province Postal Code: 430000	53	219,518
	Changsha Branch	Address: No. 1500 Third Section of Xiangjiang North Road, Kaifu District, Changsha, Hunan Province Postal Code: 410011	40	119,164
	Nanchang Branch	Address: Building D3, Lvdi Central Plaza, No. 998, Hongguzhong Avenue, Honggutan District, Nanchang, Jiangxi Province Postal Code: 330038	24	103,176
	Taiyuan Branch	Address: 1-17/F, Building 31, No. 65 Pingyang Road, Xiaodian District, Taiyuan, Shanxi Province Postal Code: 030006	32	75,488

Division of the region	Name of the affiliate	Business address/Postal code	Number of outlets	Total assets (RMB million)
	Chongqing Branch	Address: No. 5 Jiangbeicheng West Avenue, Jiangbei District, Chongqing Postal Code: 400020	31	157,285
	Nanning Branch	Address: No. 36-1, Shuangyong Road, Qingxiu District, Nanning, Guangxi Zhuang Autonomous Region Postal Code: 530021	20	60,104
	Guiyang Branch	Address: North Second Tower, BL Zone, Guizhou Financial City, Changling North Road, Guanshanhu District, Guiyang, Guizhou Province Postal Code: 550081	15	40,236
	Hohhot Branch	Address: CITIC Tower, Ruyihe Avenue, Ruyi Development Area, Hohhot, Inner Mongolia Autonomous Region Postal Code: 010010	30	45,368
	Yinchuan Branch	Address: No. 160 Beijing Middle Road, Jinfeng District, Yinchuan, Ningxia Hui Autonomous Region Postal Code: 750002	8	19,515
Western China region	Xining Branch	Address: Building 2, Shengshida Financial Center, Wenyuan Road No.1, Chengxi District, Xining, Qinghai Province Postal Code: 810008	9	11,455
	Xi'an Branch	Address: No. 1, Middle Section of Zhuque Road, Xi'an, Shaanxi Province Postal Code: 710061	41	105,008
	Chengdu Branch	Address: East Tower of La Defense Tower, No. 1480 North Section of Tianfu Avenue, High-Tech Zone, Chengdu, Sichuan Province Postal Code: 610042	48	230,078
	Urumqi Branch	Address: CITIC Bank Tower, No. 298 Alishan Street, Economic and Technological Development Zone, Urumqi, Xinjiang Uygur Autonomous Region Postal Code: 830000	13	31,919
	Kunming Branch	Address: Fulin Square, Baoshan Street, Wuhua District, Kunming, Yunnan Province Postal Code: 650021	30	76,188
	Lanzhou Branch	Address: No. 9 Minzhu West Road, Chengguan District, Lanzhou, Gansu Province Postal Code: 730000	12	22,802
	Lhasa Branch	Address: No. 22 Jiangsu Road, Lhasa, Xizang Autonomous Region Postal Code: 850000	2	11,948

Division of the region	Name of the affiliate	Business address/Postal code	Number of outlets	Total assets (RMB million)
Northeastern China region	Harbin Branch	Address: CITIC Tower, No. 236, Hongqi Avenue, Nangang District, Harbin, Heilongjiang Province Postal Code: 150000	19	35,143
	Changchun Branch	Address: No. 718, Jiangong South Road, Chaoyang District, Changchun, Jilin Province Postal Code: 130000	21	48,692
	Shenyang Branch	Address: No. 336, Daxi Road, Shenhe District, Shenyang, Liaoning Province Postal Code: 110014	43	64,402
Overseas	London Branch	5th Floor, 99 Gresham Street, London, EC2V 7NG, UK	1	28,513
	Hong Kong Branch	82 FL. International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong	1	15,471
	Sydney Representative Office	Level 27, Gateway, 1 Macquarie Place, Sydney, NSW 2000, Australia	1	–

Notes: (1) The Credit Card Center mentioned in the above table had 77 affiliates.

(2) The "total assets" in the above table did not deduct the offset balance between affiliates.

3.1.11.2 *Remuneration Policy*

In accordance with the *Basic Measures on Employee Remuneration Distribution of China CITIC Bank Corporation Limited* and other relevant rules, the Bank adopted a remuneration distribution mechanism for employees based on its job and position framework, with performance contributions and demonstrated capabilities as the key criteria. It constantly optimized the structure for internal income distribution, strictly implemented national policies, and continued to channel more remuneration resources to frontline and primary-level employees. The Bank's employee remuneration consists of basic salary and performance-based remuneration, with the former determined by employees' position and level, and the latter linked to the Bank's overall operating results and employees' personal performance and duty performance capabilities.

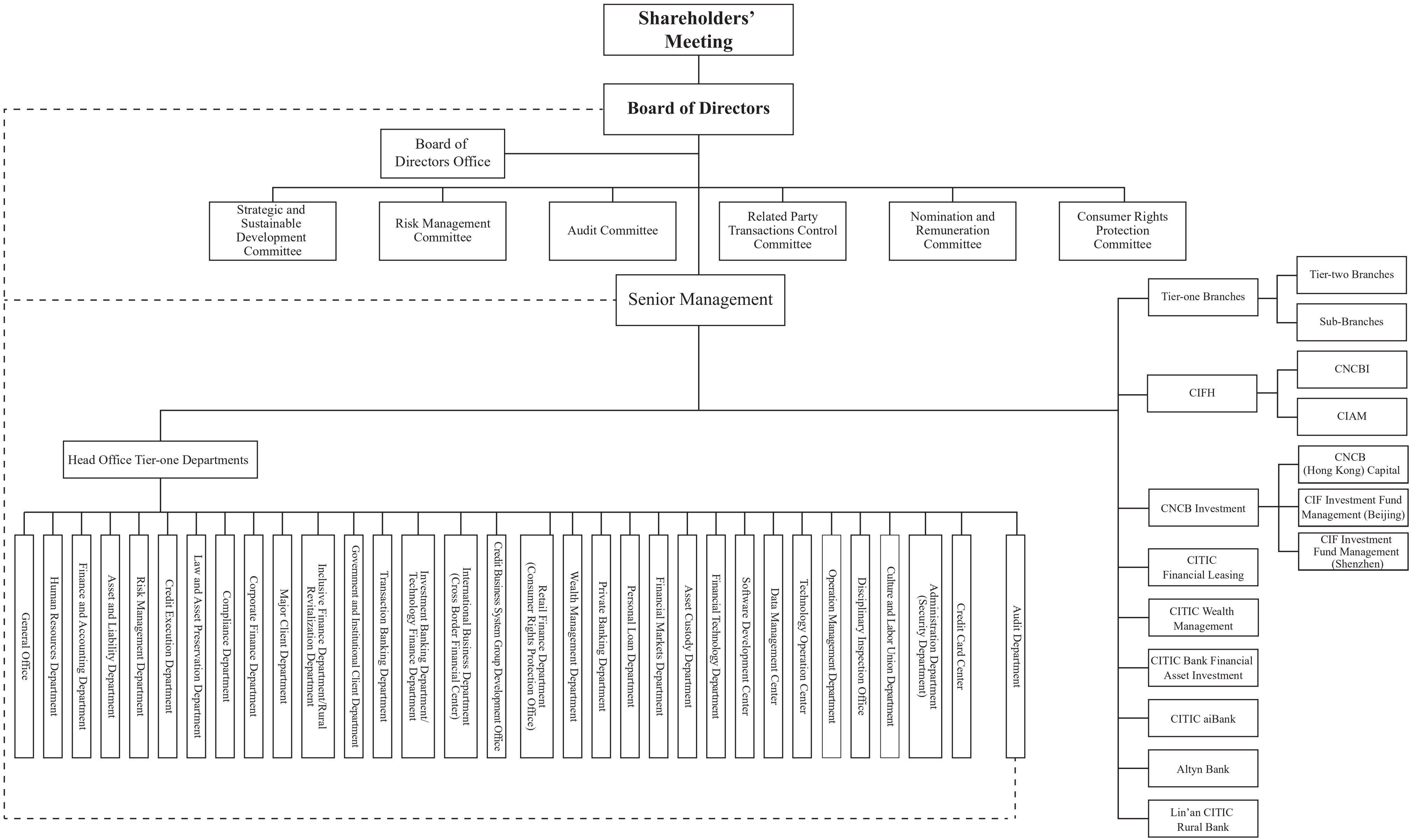
To refine the performance-based remuneration management system and improve the incentive and constraint mechanism, the Bank established a deferred payment and clawback mechanism for performance-based remuneration. Under this framework, more than 50% of the performance-based remuneration for middle and senior management members and more than 40% of the performance-based remuneration for personnel in key positions is subject to deferred payment for a three-year deferral period. For individuals who violate laws, regulations, or disciplinary rules, or who trigger the conditions for clawback of performance-based remuneration, the deferred portion of their remuneration would be subject to the Bank's applicable regulations, so as to ensure that the level and structure of employees' remunerations are consistent with risk exposure and duration.

3.1.11.3 *Team Building and Employee Training*

The Bank was committed to adopting a value-driven human resources management approach and building a strong talent pool. Guided by value creation, the Bank established a talent allocation system considering workforce scale, talent quality, talent pipeline structure and development effectiveness in a coordinated manner. The Bank continued to strengthen talent supply in strategic regions and key business lines, while coordinating efforts to cultivate, select, manage and utilize internal talent and attract high-quality external talent. In line with strategic development needs, the Bank continued to implement the "Sailing a Hundred Ships" talent development program and built a tiered and categorized talent pool. The selected and cultivated talent covered various groups, including management personnel at all levels, professional and technical specialists, management trainees, Party building and Party affairs professionals and primary-level counter service personnel.

The Bank continued to optimize its employee training system and regularly conducted job qualification certification training and examinations for employees. Through an integrated mechanism linking training, examinations, certification and career advancement, the Bank supported employees in the professional and technical career track and operations support career track in enhancing their professional capabilities. During the reporting period, more than 7,500 employees participated in certification training and examinations. The Bank conducted tiered and categorized appointment-based and on-the-job training programs for management personnel. During the reporting period, the Head Office organized training programs for deputy middle-level managers focusing on Party spirit cultivation, newly appointed sub-branch heads and division-level managers at the Head Office. Branches leveraged the university cooperation platform established by the Head Office and utilized high-quality resources to provide training and development programs for management personnel, thereby systematically enhancing the political capabilities and duty performance capabilities of management personnel at all levels. The Bank continued to strengthen its internal talent development capabilities and enhance the development of its internal part-time instructor team. It appointed 1,521 certified instructors across the Head Office and branches. Through initiatives such as advancing the development and review of certified courses and implementing the "Knowledge Factory" best practice distillation program, the Bank accumulated internal intellectual capital and strengthened support for frontline employees.

3.1.11.4 Organizational Chart



3.2 Environmental Information

Closely following the national strategic orientation, the Bank has always practiced the philosophy of green development, actively tackled challenges arising from climate change, constantly refined the systems and mechanisms related to green finance, proactively explored innovation in green finance products and services, and continuously improved the comprehensive service capability under green finance. The Bank actively advanced relevant measures for green operation, strengthened carbon footprint management, and developed well-designed emissions reduction plans, so as to contribute to sustainable economic and social development through concrete actions. Neither the Bank nor its major subsidiaries were included in the list of enterprises that shall disclose environmental information according to relevant laws.

3.2.1 Green Finance

Special Column	**Green Finance**
During the reporting period, the Bank actively responded to the initiative of Building a Beautiful China, and closely aligned itself with the national goals of achieving carbon peaking and carbon neutrality and the *15th Five-Year Plan for Building a Beautiful China*. The senior management of the Bank steadily advanced the development of green finance business under the guidelines established by the Strategic and Sustainable Development Committee of the Board of Directors. Meanwhile, in accordance with the green finance assessment plan of the PBOC, the Bank formulated the *Transition Finance Plan of China CITIC Bank (2026-2030)*, further strengthened its focus on the sustainable development of carbon-intensive industries under transition, defined carbon reduction targets for its own operations and asset portfolio, and continued to enhance financing support for green and low-carbon industries. In addition, the Bank proactively participated in special research projects organized by the PBOC and strengthened communication with competent authorities for green industries, including the Ministry of Industry and Information Technology and the National Energy Administration, to promptly monitor policy developments related to financial support for the transformation and upgrading toward green manufacturing and the development of a green energy system. The Bank was also invited to participate in a number of thematic seminars and exchange activities on energy industry development, transition finance practices, and zero-carbon park development, through which it gained clearer insights into policy directions, connected with industry resources, and laid a solid foundation for the development of green finance business. As at the end of the reporting period, the Bank had 6,953 corporate green loan customers, representing an increase of 515 customers, or 8.00%, from the end of the previous year. During the reporting period, to better serve green customers in the real economy, the Bank, with a focus on the emerging scenario of zero-carbon park development, collaborated with multiple financial, industrial and consulting subsidiaries of CITIC Group to develop a comprehensive green collaborative service solution for zero-carbon parks and conducted marketing services for the first 52 national-level zero-carbon parks.	

As at the end of the reporting period, the Bank's outstanding green loans totaled RMB789.073 billion, an increase of RMB36.611 billion, or 4.87%, from the end of the previous year. In terms of the industry distribution of green loans, the balances of loans extended to energy conservation and carbon reduction industries, environmental protection industries, and green infrastructure upgrading industries accounted for 57.32% of the Bank's total green loans.

The green performance of the Bank and its subsidiaries during the reporting period is summarized as follows:

Green product/service	Details
Green credit	As at the end of the reporting period, the Bank's outstanding green loans stood at RMB789.073 billion, representing an increase of 4.87% from the end of the previous year. The balance of green and sustainable loans of the Bank's subsidiary, CNCBI, reached HKD24.025 billion, an increase of 23.12% from the end of the previous year.
Green bonds	**Issuance:** As at the end of the reporting period, the balance of the Bank's domestic green finance bonds stood at RMB25.0 billion. In addition, the Bank had USD300 million of outstanding overseas green bonds. **Underwriting:** The Bank continued to engage in the underwriting of key bond categories aligned with the "Five Priorities" in finance. During the reporting period, it underwrote RMB13.281 billion of green debt financing instruments, maintaining a leading position in the market. **Investment:** As at the end of the reporting period, the balance of the Bank's proprietary investments in green bonds amounted to RMB26.281 billion. The investments covered various types of green bonds, including green asset-backed securities, green financial bonds and green medium-term notes.
Green deposits	During the reporting period, 156 structured deposit products linked to green finance bonds were issued, raising RMB11.723 billion. The deposit products expanded the range of investment options available to investors and channeled capital toward green industries.
Green wealth management	The Bank's subsidiary, CITIC Wealth Management, continued to expand its portfolio of green wealth management products. As at the end of the reporting period, ESG-themed wealth management products totaled RMB15.230 billion.
Green leasing	CITIC Financial Leasing, the subsidiary of the Bank, vigorously supported financing for green industries, including clean energy, energy conservation and environmental protection, and green transportation. As at the end of the reporting period, its green leasing balance amounted to RMB31.446 billion.
Green consumption	The Bank vigorously supported green consumption loans, including loans for new energy vehicles (NEVs) and green low-carbon buildings. As at the end of the reporting period, the balance of green consumption loans amounted to RMB34.565 billion.

Green product/service	Details
"CITIC Carbon Connect" platform	The Bank continued to enhance "CITIC Carbon Connect", a green and low-carbon service platform. During the reporting period, the Bank upgraded the platform's carbon accounting functions. As at the end of the reporting period, the number of registered users of the platform exceeded 3,300.
"CITIC Carbon Account"	As the first bank-led personal carbon reduction account in China, the CITIC Carbon Account has continuously expanded the scope of green financial services and enriched scenarios for individuals' low-carbon activities. It has become the first personal carbon account in China covering multiple financial sectors, such as banking, securities and insurance. As at the end of the reporting period, the number of CITIC Carbon Account users reached 32.4330 million, representing an increase of 10.16% from the end of the previous year, with cumulative carbon emissions reduction exceeding 220 thousand tons.

3.2.2 Transition Finance

During the reporting period, the Bank thoroughly implemented the national strategy for carbon peaking and carbon neutrality, actively seized opportunities arising from transition finance, leveraged the collaborative advantages of CITIC Group, introduced innovative transition finance products, and orderly advanced transition finance.

Systematically advancing the development of a transition finance framework. The Bank established an innovative service system for transition finance and developed a "1+3+N"[40] pyramid-shaped service architecture. Guided by the *Transition Finance Plan of China CITIC Bank (2026-2030)*, the Bank enhanced its integrated service capabilities combining financing, intelligence and credit and built a multi-level, full-scenario transition finance product and service system. The Bank improved its transition finance risk management system, optimized risk identification and management mechanisms, and further strengthened dynamic risk monitoring and early warning capabilities.

[40] The "1+3+N" architecture comprises one unified management mechanism, three service capabilities (financing, intelligence and credit) and transition finance businesses across numerous scenarios.

Enhancing capabilities for developing transition finance. Guided by the transition finance standards issued by the PBOC, the Bank improve its professional transition finance framework and continuously enhanced its specialized operational and service capabilities. The Bank regularly conducted dedicated training programs on transition finance covering policies and standards, business processes, business identification and typical cases. It also organized thematic seminars in collaboration with regulatory authorities, research institutions and industry experts for in-depth discussions on decarbonization pathways, financing models and key risk prevention and control measures for carbon-intensive industries. Focusing on key carbon-intensive industries such as steel, nonferrous metals, petrochemicals and chemicals, the Bank conducted specialized research, systematically analyzed industry emissions reduction pathways and core decarbonization technologies, and comprehensively assessed emissions reduction potential, financing needs and credit risks. Based on these assessments, the Bank identified key areas for transition finance support, selected high-quality transition projects, and laid a solid foundation for the high-quality development of its transition finance business.

Promoting the implementation of transition finance business. The Bank steadily advanced transition finance business by providing targeted support for the orderly low-carbon transition of key carbon-intensive industries and implementing a number of landmark transition loan projects. Specifically, Ningbo Branch granted an RMB120 million sustainability-linked loan for the shipping industry, which was used for energy-saving upgrades and efficiency improvements for ships. Wuhan Branch issued an RMB100 million sustainability-linked loan for power batteries, which set an upper limit on product greenhouse gas emissions and linked product-generated greenhouse gas emissions with loan interest rates. The Bank continued to deepen government-bank-enterprise cooperation, customized differentiated transition financing solutions for enterprises and assisted enterprises in developing transition plans. Leveraging an integrated service model combining financing, intelligence and credit, the Bank promoted the high-quality development of its transition finance business.

3.2.3 Green Operation

The Bank actively embraced the philosophy of green and low-carbon development and proactively aligned itself with national and regulatory requirements related to carbon peaking and carbon neutrality management. It studied and formulated overarching targets of achieving carbon peaking by 2030 and carbon neutrality by 2060 at the Scope 1 and Scope 2 levels within its own operations and, against the above targets, actively made relevant arrangements for their implementation. It strengthened support and guidance for branches and institutions, gradually established related assessment mechanism, and guided the whole Bank in advancing energy conservation and emissions reduction initiatives.

In terms of system development, the Bank established the Head Office Energy Conservation Leading Group, which was responsible for establishing and improving the Head Office's energy management systems and mechanisms, formulating annual energy conservation plans and targets for the Head Office, and ensuring the achievement of targets for total energy consumption control and energy conservation. During the reporting period, the Bank issued the *Guiding Opinions on Green Operation of China CITIC Bank*, which defined emissions reduction targets at the level of the Bank's own operations during the 15th Five-Year Plan period, proposed the overarching principle of "prioritizing self-driven emissions reduction supplemented by carbon offsets", and established a closed-loop management mechanism covering carbon data collection, carbon accounting, carbon management and carbon reduction. Through coordinated efforts across data, measures and management, the Bank supported the achievement of its goals during the 15th Five-Year Plan period. In addition, focusing on six core scenarios, namely office operation, outlets, transportation, energy substitution, buildings and data centers, the Bank formulated plans on emissions reduction pathways and specified implementation requirements for branches and institutions.

In terms of resource management, the Bank optimized its energy consumption structure by enabling the Shunyi campus to procure and consume green electricity through market-based transactions, with 11 million kWh of green electricity purchased during the reporting period. **The Bank pressed ahead with energy-efficient upgrades.** First, it fully adopted energy-efficient lighting fixtures, projectors and other electrical equipment, while implementing scheduled power-saving and after-work power-off measures for office devices. Second, leveraging an intelligent centralized control system, the Bank introduced automated management of air conditioning, lighting and other facilities at the Head Office building, which are programmed to shut down or operate at reduced capacity during non-working hours. **The Bank strengthened resource recycling.** It advocated the sustainable use of rainwater. At the Shunyi campus, it constructed three rainwater retention and storage tanks and implemented an integrated "collection, treatment, reuse" model, enabling harvested rainwater to be used for non-potable purposes in daily campus operation. It continued to promote the reuse and recycling of existing furniture to reduce new purchases and waste generation.

In terms of green procurement, the Bank embedded sustainability considerations at the source by comprehensively implementing green procurement practices. Specifically, it prioritized the procurement of energy-efficient products, supplies made from recycled materials, and FSC/PEFC certified copy paper. In supplier management, the Bank explicitly included environmental indicators as assessment factors, listed major environmental administrative penalties as key risk indicators, adopted control measures such as point deductions and disqualification from assessment for suppliers that failed to meet requirements, and imposed rigid constraints on issues such as packaging materials environmental protection standards through procurement contracts. Meanwhile, relying on its self-developed "CITIC Carbon Connect" platform, the Bank provided suppliers with carbon accounting services, assisted them in preparing carbon emissions reports and product carbon footprint reports, guided suppliers in carrying out energy conservation and carbon reduction work.

In terms of data center green operation, the Bank integrated energy efficiency optimization throughout the entire data center operation process and continued to conduct energy efficiency assessments and improvements. While ensuring stable equipment operation, the Bank further enhanced energy utilization efficiency. It strengthened zoned energy consumption management for data centers, advanced energy-saving initiatives in a tiered and categorized manner, established a regular energy consumption self-inspection mechanism, and leveraged online monitoring platforms to identify opportunities for improving energy efficiency. The Bank successively implemented five optimization measures, including zoned lighting control, higher chilled water temperatures, reducing pipeline resistance, improving airflow distribution and tiered management of supplemental heating during winter. The Bank also conducted specialized training sessions on cooling optimization and energy consumption management, standardized energy-saving operation and maintenance procedures, and enhanced the refined management capabilities of data center operation and maintenance personnel. During the reporting period, the average power usage effectiveness of data centers decreased by 8% year on year.

In terms of paper management, the Bank advocated a paperless office. Its online meeting system fully supported the needs for online meetings and livestreaming, thereby effectively reducing energy consumption, travel-related carbon emissions and paper usage associated with in-person meetings. Electronic display screens were adopted for releasing information, promoting green office concepts, and reducing the use of traditional printed posters. The Bank optimized printing equipment configuration, implemented printing paper quota management and adopted default black-and-white duplex printing to reduce unnecessary printing. Printing volumes further declined. **The Bank advanced paperless operation.** It actively promoted the use of electronic vouchers. During the reporting period, the number of paperless transactions processed through counter channels reached 16 million, saving approximately 32 million sheets of paper. The Bank accelerated the digitalization of confirmation services. In the first half of the year, the Bank responded to 248.8 thousand inquiry letters, with electronic confirmation letters accounting for more than 30%. It promoted the use of electronic invoices. In the first half of the year, the Bank issued 496.5 thousand electronic invoices to customers, saving approximately 1,489.5 thousand sheets of paper.

3.2.4 Addressing Environmental (Climate) Risks

Rules and regulations

In accordance with the *Guidelines on Climate Risk Management of China CITIC Bank*, the Bank advanced its climate risk management by incorporating climate risk into its comprehensive risk management system. It specified requirements for climate risk identification, assessment, management and reporting, regularly carried out climate risk stress tests, systematically considered climate risk factors in the formulation of risk appetite and credit policies and business continuity management, among other areas, and continuously strengthened its climate risk response measures.

During the reporting period, the Bank formulated the 2026 Credit Policy of China CITIC Bank, which applies to all investment and financing businesses. The policy clarifies that the Bank shall actively support energy conservation, pollution reduction, carbon reduction, green development and disaster prevention in key industries and fields, and step up support for green finance, transition finance, low-carbon economy, circular economy, climate-related investment and financing, biodiversity conservation and other related areas.

Customer risk classification

The Bank formulated the *Measures for Environmental, Social and Governance (ESG) Risk Management in Credit Business of China CITIC Bank*, under which credit customers are classified into three categories: low risk, medium risk and high risk based on the severity of ESG risk they face. Customers identified as having material ESG risk are subject to list-based management and are required to take targeted risk mitigation measures.

Integration into credit extension process

The Bank formulated the *Key Indicators for Environmental, Social, and Governance (ESG) Evaluation for Credit Business of China CITIC Bank*, with a focus on enterprises' energy management, pollutant emissions, safety and quality and equity governance, among other aspects. At the customer onboarding and due diligence stages, the Bank conducted ESG risk assessments in accordance with the *Key Indicators for Environmental, Social and Governance (ESG) Evaluation for Credit Business of China CITIC Bank* and incorporated preliminary conclusions regarding customers' ESG risk into credit due diligence reports. Customers with serious violations of ESG laws and regulations or material ESG-related risks were not allowed to enter the credit extension process.

At the review and approval stage, the Bank examined the compliance, validity and completeness of relevant documents and procedures, analyzed and assessed the ESG risk of credit customers, and incorporated the results of pre-lending investigations and assessments as one of the key review factors for customers in certain key industries. The Bank paid close attention to enterprises' environmental protection practices and sustainable operating capabilities, issued review opinions on ESG risk conditions, and upheld the "veto mechanism for environmental protection".

At the post-lending and post-investment management stage, the Bank closely monitored the operating conditions of credit customers and incorporated customers' ESG indicators into post-lending and post-investment management reviews and risk alerts. For credit customers with medium or low ESG ratings, the Bank regularly examined the implementation of its customer ESG risk management policies and risk response plans, assessed the impact of customers' ESG risk on their operation, and took timely measures to mitigate such risk.

Audit supervision

In line with the requirements for implementing the green finance policy and carrying out risk compliance management, the Bank incorporated green finance in legal person audits, comprehensive audits and continuous audits as a key focus area, thereby strengthening internal control and continuously enhancing the Bank's green finance operation and management system.

3.3 Fulfillment of Social Responsibilities

The Bank remained committed to its original aspiration of "finance for the people" and regarded implementing national strategies and improving people's well-being as its mission. The Bank continued to support key areas, such as supporting the real economy, advancing rural revitalization, and protecting the rights and interests of financial consumers and demonstrated the responsibility and commitment of a state-owned financial institution through concrete actions.

3.3.1 Support for Rural Revitalization

During the reporting period, the Bank thoroughly implemented the decisions and plans of the CPC Central Committee and strictly complied with regulatory requirements. It earnestly studied and applied the experience gained from the "Green Rural Revival Program", leveraged CITIC Group's collaborative advantages of "full licenses in finance and full coverage across industries", adhered to the operating philosophy of "focusing on key areas and highlighting characteristics", and continuously improved the quality and efficiency of financial services supporting rural revitalization.

During the reporting period, the Bank advanced five major initiatives: protecting farmers, revitalizing agriculture, strengthening agriculture, increasing farmers' income and developing smart agriculture. It increased support for food security, rural industries, rural development, farmers' income growth, and agricultural technology, and made financial services for rural revitalization more targeted. It continued to deepen and expand the distinctive "Five Synergies" model encompassing financing, intelligence, industry, construction and sales. In collaboration with subsidiaries of CITIC Group, such as CITIC Securities, CITIC Agriculture, CITIC Construction and Dah Chong Hong Holdings Limited, the Bank leveraged integrated financing solutions that covered "equity, bonds, loans, insurance, leasing, trusts and more" to upgrade its comprehensive rural revitalization services through enhanced industry-finance synergy and finance-finance synergy. Focusing on five emerging areas, namely the county economy, marine economy, new quality productive forces for agriculture, agricultural supply chains, and the new farmer customer segment, the Bank cultivated new growth drivers for its rural revitalization business. The Bank conducted in-depth research on distinctive industries and continuously incorporated rural revitalization business into the scope of credit policy support, so as to continuously enhance the effectiveness of financial services for rural revitalization.

As at the end of the reporting period, the Bank had 69.4 thousand customers with agriculture-related loans, an increase of 1,624 compared to the beginning of the year. The balance of agriculture-related loans amounted to RMB546.508 billion, an increase of RMB35.806 billion, or 7.01%, from the beginning of the year. Among them, the balance of agriculture-related inclusive loans amounted to RMB53.228 billion, representing an increase of RMB4.427 billion, or 9.07%, compared to the beginning of the year. Loans issued to key areas such as agriculture, forestry, animal husbandry and fishery, rural and agricultural infrastructure construction, food security and new agricultural operation entities all recorded solid growth.

Development of Outlets in County Areas

During the reporting period, the Bank operated 161 outlets in county areas, primarily distributed in six eastern and central provinces, namely Zhejiang, Jiangsu, Fujian, Shandong, Hebei and Henan. These outlets were equipped with 311 self-service cash terminals, 333 stand-alone smart teller machines and 577 mobile smart teller machines. Meanwhile, mobile smart teller machines were deployed to effectively overcome space constraints of traditional physical outlets, further expand financial service coverage, and significantly enhance the accessibility of financial services, which provided robust financial support for rural revitalization and economic development in county areas.

Targeted Assistance with Financial Services

The Bank resolutely fulfilled its political and social responsibilities as a state-owned financial enterprise, steadily carried out regular targeted assistance initiatives, maintained the overall stability of assistance policies with continued support efforts, and increased the input of financial resources to prevent large-scale lapse or relapse into poverty.

During the reporting period, the Bank strictly implemented the requirements from policies such as *Opinions on Coordinating the Establishment of a Regular Financial Support Mechanism to Help Prevent Large-scale Lapse or Relapse into Poverty and Advance All-around Rural Revitalization* issued by the PBOC and three other government authorities, by refining and clarifying key tasks. The Bank actively collaborated with the Ministry of Agriculture and Rural Affairs and other government departments to conduct field research on and assessments of targeted assistance projects. It strengthened cooperation with government compensation funds and agricultural guarantee companies to better align with financial assistance needs. Focusing on the resource endowments and distinctive industries of the regions lifted out of poverty, the Bank provided policy support such as interest rate pricing subsidies and enhanced the application of the "Five Synergies" service model in assistance initiatives. It also reinforced financial technology empowerment by expanding online product and service offerings. In doing so, the Bank delivered high-quality and efficient financial services to support the development of enterprises and individuals lifted out of poverty.

As at the end of the reporting period, the Bank's balance of loans for targeted assistance with financial services stood at RMB39.936 billion, an increase of RMB329 million from the end of the previous year, and the number of customers with outstanding loans was 1,002.1 thousand. During the reporting period, the interest rates on newly extended loans remained generally stable and the risk and return were basically balanced.

Diverse Assistance

The Bank continued to provide paired assistance in 64 villages nationwide, including Aksu City of Xinjiang, Tanchang County of Gansu, Lingqiu County of Shanxi, Huai'an County of Hebei and Xide County of Sichuan. Through a combination of funding support, talent deployment, project assistance and assistance through consumption, the Bank improved infrastructure conditions in assisted regions, and effectively consolidated and expanded the gains of poverty alleviation. These efforts contributed to advancing industrial development, strengthening primary-level governance, and elevating the overall level of public service.

The Bank continued to promote consumption-driven assistance initiatives across the Bank. During the reporting period, the Bank purchased agricultural and sideline products from regions lifted out of poverty, with a total amount of RMB14,611.6 thousand. The Bank also held the 2026 Spring and Summer Agricultural Product Exhibition and Sales Fair to help assisted areas sell seasonal fruits, fresh produce, tea, Chinese medicinal materials and other agricultural products.

Participation in Public Welfare Activities

The Bank organized public welfare and charitable activities on a regular basis. During the reporting period, the Head Office launched the sixth season of the "Gathering Love, Delivering Warmth" Spring and Summer Clothing Donation Campaign, during which more than 4,000 pieces of clothing, daily necessities and other supplies for people in need were donated to 14 villages of paired assistance. The Bank also organized the 2026 Spring Voluntary Tree Planting Activity, where employees participated in tree planting, seedling maintenance and other relevant volunteer services. Branches and subsidiaries carried out various public welfare activities tailored to local conditions, including educational assistance, care and support initiatives, environmental protection activities, financial literacy campaigns and community services. Through these efforts, the Bank actively supported vulnerable groups in society and demonstrated its image as a responsible, committed and caring corporate citizen.

3.3.2 Consumer Rights Protection

Consistently upholding the people-centered development philosophy, the Bank acts on the principle of finance for the people, puts customers in the first place, and attaches great importance to consumer rights protection. In strict accordance with applicable laws, regulations and regulatory requirements, the Bank established a consumer rights protection management system featuring clear objectives, a sound organizational structure, sufficient safeguards and effective execution. The Board of Directors is the highest decision-making body for the Bank's consumer rights protection work. Under the Board of Directors, the Consumer Rights Protection Committee has been established to provide oversight and guidance to ensure the implementation of consumer rights protection work by the senior management. The senior management makes the overall planning of consumer rights protection across the Bank and has established the Consumer Rights Protection Working Committee, chaired by the President, to coordinate management departments and branches/institutions in promoting and implementing relevant work in a unified manner.

During the reporting period, the Board of Directors and senior management continued to strengthen the top-level design and process management of consumer rights protection. The Board of Directors, its Consumer Rights Protection Committee, and its Audit Committee successively held meetings to review and discuss consumer rights protection matters, including the annual work plan and internal assessment results. The Consumer Rights Protection Working Committee convened meetings to study new regulatory requirements, make dedicated arrangements for key consumer rights protection work, and review a number of key matters, including the annual work plan for consumer rights protection, sales conduct management plan, and rectification of issues identified in regulatory evaluation. The senior management fully leveraged its coordination, supervision and implementation functions to steadily improve the quality and efficiency of consumer rights protection across the Bank.

The Bank continued to refine its consumer rights protection policy framework. During the reporting period, the Bank revised policies, including the *Implementation Rules of the Credit Card Center of China CITIC Bank for Consumer Rights Protection* and *the Management Rules for Risk Rating of Private Banking Distributed Products of China CITIC Bank*, which further put in place a comprehensive consumer rights protection policy framework covering all business areas with a clear hierarchical structure and effective coordination, thereby ensuring the standardized implementation of consumer rights protection requirements across all levels, business lines and operational processes.

The Bank continued to strengthen its consumer rights protection review and control mechanism. During the reporting period, the Bank optimized and improved guidelines for key points in consumer rights protection review, the review keyword database and typical negative lists. The Bank explored and deepened the application of AI technologies to rapidly identify potential risks, shorten review turnaround time, and improve review efficiency. During the reporting period, the consumer rights protection reviews covered 100% of the Bank's products and services.

During the reporting period, the Bank continued to strengthen suitability management for financial products to ensure accurate matching between product risks and investors' risk tolerance. Before sales, the Bank established a standardized investor assessment system, leveraged digital tools to regulate marketing and promotion practices, and implemented prudent assessment strategies for special groups such as elderly customers and minors. During sales, the Bank strictly implemented risk matching controls, disclosed product information, risk levels and applicable scope in plain language, and used system-based controls to enforce mandatory blocking of mismatched transactions while ensuring full traceability throughout the sales process. After sales, the Bank conducted investor follow-ups and strengthened investor education to effectively safeguard the legitimate rights and interests of financial consumers.

During the reporting period, the Bank actively implemented regulatory requirements for enhancing financial education and awareness and carried out a series of centralized campaigns, including the "3.15 Financial Consumer Rights Protection Education and Publicity Initiative", "Illegal Financial Activity Prevention Publicity Month" and "Financial Knowledge Popularization". On a cumulative basis, these campaigns reached consumers for 570 million person-times. Focusing on key population groups of the elderly, the young and new urban residents, the Bank organized themed education and publicity campaigns such as "The Elderly Happy Learning Program", "Protection for the Future Program" and "Safeguarding Happiness Program". Dedicated zones for education and publicity were set up at all domestic outlets, and a series of activities such as the "Consumer Rights Protection Service Enhancement Season" and the "Financial Security Protection Season" were organized to steadily enhance the public's awareness of financial risk prevention and overall financial literacy.

The Bank comprehensively enhanced its digitalized, standardized and systematic management capabilities for complaints associated with consumer rights protection and optimized its digital complaint analysis system and intelligent work order system. The Bank continued to improve end-to-end complaint handling procedures and refine the full-process management mechanism for complaint verification. During the reporting period, the Bank received a total of 116,881 complaints[41] through channels, including regulatory referrals, the customer service hotline 95558, the Credit Card Center and other channels, representing a year-on-year decrease of 11.04%. The top three complaint categories by volume were credit card business, debit card account management and usage-related business, and personal loan business, accounting for 51.89%, 13.94% and 13.90% of the total, respectively. Guangdong, Shandong and Jiangsu ranked as the top three regions by complaint volume, accounting for 11.02%, 7.61% and 7.23% of the total, respectively.

3.3.3 Information Security and Privacy Protection

The Bank has established a top-down governance framework for information security and privacy protection. The Board of Directors is responsible for integrating information security into corporate governance, corporate culture and business development strategies. It oversees and evaluates the comprehensiveness, timeliness and effectiveness of information security management, as well as the performance of the senior management. The senior management is responsible for reviewing and approving information security management objectives and strategies, and providing overall guidance for information security management across the Bank. The Information Technology Committee of the Head Office assists the senior management in guiding daily information security management, and is primarily responsible for reviewing the Bank's information security management objectives and strategies, deliberating on major information security matters, and coordinating the resolution of material information security issues. During the reporting period, the Information Technology Committee reviewed key information security matters, including the *Information Security Management Report of China CITIC Bank*, and strictly fulfilled its governance responsibilities related to information security and privacy protection.

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41 Excluding duplicate complaints and complaints handled through the Bank's internal channels in relation to account control, credit reports, charging standards and debt settlement negotiations.

The Bank attached great importance to information security and privacy protection. During the reporting period, it strengthened the protection of internal data and customer rights from dimensions such as policy formulation, data security protection, customer information and privacy protection, information system security and safety education and training. During the reporting period, the Bank did not have any major data security incidents or customer information breaches.

In terms of policy formulation, the Bank established a relatively well-developed policy framework on information security and data security management. It formulated policies, including the *Information Security Management Measures of China CITIC Bank* and the *Data Security Management Measures of China CITIC Bank*, revised relevant policies based on regulatory requirements and internal management needs, continuously improved management standards and regulated data processing activities. These policies specify security management requirements for the entire data lifecycle, including collection, transmission, usage, storage and disposal, and standardize management measures such as data encryption, minimum authorization and anonymization during customer information collection and usage.

In terms of data security protection, the Bank established a tiered data security policy framework and technical protection system in accordance with the pertinent laws, regulations, regulatory requirements, industry standards and internal security management needs. During the reporting period, in accordance with regulatory requirements, the Bank further improved its data security categorization and grading standards as well as differentiated management requirements, and enhanced its refined control capabilities over data security. It implemented security protection measures, including data encryption, desensitization and access control throughout data collection, use, provision and other processes. It also organized branches and institutions to formulate annual emergency response drill plans and conduct drills, so as to enhance capabilities to respond to data security risks.

In terms of customer information and privacy protection, the Bank clearly informed customers about the purpose, methods and scope of information processing, committed to using customer information strictly in accordance with customer authorization and on a minimum-necessary basis, and regularly reviewed and optimized privacy policies to safeguard customers' legitimate rights and interests. During the reporting period, the Bank rigorously adhered to the "Notice and Consent" procedure before processing customer information, only collected data that was necessary for providing service, used data in accordance with the principle of business and minimum necessity, and shared customer information with third parties only upon obtaining authorization. The Bank retained customer data only for the minimum period necessary to provide services, except in circumstances otherwise stipulated by laws and regulations, in full compliance with applicable laws, regulations and regulatory requirements. Except where information retention was required for regulatory requirements, case investigations, or customer disputes, all other customer information confirmed to be no longer in use was immediately deleted.

In terms of information system security, the Bank strictly adhered to the requirements for synchronized planning, development and utilization of data security and information systems, and implemented data security protection measures at various stages of information systems, including demands, design, development, testing and release. During the reporting period, the Bank continuously conducted works such as system security tests and assessments to ensure security protection was embedded throughout the entire information system development lifecycle. It enforced stringent access control over information systems by limiting users' data access strictly according to the principle of minimum necessity and granting access permissions based on the principle of business necessity. Meanwhile, the Bank strengthened account management and recovery to prevent the risk of data use beyond the authorized scope.

In terms of security education and training, the Bank, in order to enhance employees' awareness of information security protection, carried out a variety of information security training and awareness campaigns covering different groups in various forms during the reporting period. For employees in the technology line, the Bank provided compliance warning education and dedicated technical training to enhance their security capabilities. For employees in business lines, the Bank developed dedicated courses on data security and digital and intelligent compliance to strengthen business personnel's awareness of digital and intelligent risks. For all employees, the Bank conducted security awareness education through online courses, case studies, simulated phishing exercises and ransomware drills, among other methods, to enhance overall security awareness and protection capabilities. For the general public, the Bank disseminated cybersecurity knowledge and regularly conducted financial information security awareness campaigns through channels such as the official WeChat account to effectively help raise public awareness of preventing online fraud and protecting personal financial information.

In terms of security protection and emergency response, the Bank conducted screening and analysis of potential risks related to data security and personal customer information and improved mechanisms for responding to, tracing and collecting evidence for customer financial information leakage incidents. The Bank established a cybersecurity defense system. Through comprehensive security controls covering terminals, hosts, networks, applications, data, AI and other areas, it identified and responded in real time to various types of abnormal behaviors and external attacks, including fraudulent apps impersonating the Bank, phishing websites and sensitive information leakage. The Bank formulated emergency security management policies, including the *Detailed Rules for the Management of Information Security Incidents of China CITIC Bank*, as well as contingency plans and emergency drill plans covering typical cybersecurity threat scenarios such as external attacks, malicious emails and data breaches. During the reporting period, the Bank conducted emergency drills simulating scenarios such as cyberattacks and intrusions, data leakage, data tampering, data destruction and data loss to effectively test the Bank's capabilities to respond to cybersecurity and data security incidents.

In terms of information security reviews and assessments, the Bank conducted screening and analysis of security management practices through a combination of internal reviews and external assessments, thereby continuously enhancing its security management capabilities. For internal reviews, the Bank strictly followed the *Management Measures for Information Technology-related Internal Reviews of China CITIC Bank* to conduct information technology reviews, with a focus on key areas including internet perimeter security, data security, customer information protection and production, operation and maintenance. During the reporting period, no material security vulnerabilities or potential data leakage risks were identified. For external assessments, during the reporting period, the Bank's core business systems classified as Level 4 and production cloud platform successfully passed graded cybersecurity protection assessments. The Bank's mobile banking, Mobile Card Space and other apps were certified by the Beijing National Financial Technology Certification Center. The Bank's credit card business obtained certification under the Information Security Management System (ISO 27001), and online banking-related business systems passed security assessments conducted by third-party institutions.

3.3.4 Employee Rights Protection

In terms of employee development, the Bank fully safeguarded employees' development rights and interests by establishing a career development system encompassing three tracks: management, professional techniques and operational support. It defined clear promotion pathways and channels for employees in different tracks, while also providing channels for transfers and adjustments across tracks and sub-tracks.

In terms of employee remuneration, the Bank adhered to the principle of equal pay for equal work for its remuneration system, ensuring equitable remuneration and welfare regardless of gender or ethnicity. The Bank continuously optimized employee remuneration and welfare protection, and, in strict compliance with national policies on social insurance and housing provident funds, made timely and full contributions for all employees. It has established multi-pillar pension and medical insurance systems, and provided enterprise annuities and supplemental medical insurance for employees under labor contract. It has established various types of leave, including annual leave, sick leave, personal leave, marriage leave, maternity leave, paternity leave, nursing leave and parental leave. It provided female employees with maternity leave and associated allowances and ensured that all staff members were entitled to leave and benefits in accordance with applicable policies.

In terms of employee care, the Bank organized more than 300 routine care and support visits during the reporting period to employees on occasions such as marriage, childbirth, illness, financial hardship and retirement. It arranged special care initiatives, including holiday outreach during the New Year's Day and Spring Festival and employee care visits at the year-end accounting. The Bank also regularly carried out featured activities such as Spring Festival blessings, cultural fairs, Lantern Festival garden gatherings and Dragon Boat Festival gatherings. The Bank actively upgraded its management approach. It launched a labor union financial management system, integrating employee care programs, financial reimbursement, income and expenditure management, and budget oversight into an online platform and effectively improving service efficiency and employee experience.

In terms of employee democratic participation, the Bank placed strong emphasis on democratic management. It continuously improved communication mechanisms and promoted employee participation in democratic management. It has established an employee representative congress system covering the Head Office, branches and subsidiaries and gave full play to the corporate democratic management mechanism centered on the employee representative congress. During the reporting period, the Bank held two joint meetings of the second session of the employee representative congress where it reviewed two policy documents concerning employees' vital interests, prepared the proposal solicitation for the Bank's second employee representative congress, and conducted training to enhance employee representatives' capability to perform their duties, thereby laying a solid foundation for the efficient and pragmatic convening of the employee representative congress.

In terms of employee voice channels, the Bank established smooth and diversified channels for employee communication and the solicitation of opinions, including the President's Mailbox and the "VoiceUp" platform. By doing so, it proactively guided and encouraged employees to provide genuine feedback and utilized staff insights as critical inputs for optimizing internal operational processes. All employees could directly send letters to the President's Mailbox, and the Bank attached great importance to such letters, as a number of suggestions have been adopted. "VoiceUp", a platform designed to collect and address primary-level business development needs, provides an effective channel for frontline employees to express their views. Since its launch in 2022, it has attracted 7.5 million visits, received over 37 thousand pieces of opinions and suggestions from primary-level employees, and provided prompt responses to issues of common interest.

In terms of employee health and safety, the Bank placed great emphasis on employees' physical and mental well-being, continuously improved its safety management system, and established a mechanism of three lines of defense for safety management, striving to create a safe, civilized, orderly and comfortable working environment for employees. The Bank regularly organized fire evacuation drills for all employees and emergency response drills for security personnel. It strengthened the deployment of automated external defibrillators (AEDs) in office areas and provided employees with emergency first-aid training. By systematically organizing employees to obtain the "First Aid Skills Certificates" issued by the Red Cross, the Bank fostered a positive culture where everyone values safety and everyone knows how to respond to emergencies. The Bank established mechanisms for routine inspections, special inspections and security duty and continued to properly maintain security and fire safety facilities in office areas to prevent various safety risk incidents from harming employees' health and safety. The Bank actively organized cultural and sports activities for employees, including badminton competitions and walking events. During the first half of the year, the Bank carried out more than 200 cultural and sports activities, serving approximately 60 thousand person-times in total, which effectively enriched employees' leisure and cultural life. The Bank implemented a five-year psychological care program for employees and rolled out the Employee Assistance Program (EAP) for 13 branches and subsidiaries in Beijing, Northeastern and Northern China. On a cumulative basis, the Bank has provided professional psychological counseling and support to more than 7,500 employees.

For further information about the Bank's ESG, please refer to the *China CITIC Bank Corporation Limited 2025 Sustainability Report* published by the Bank on the official websites of the SSE (www.sse.com.cn), HKEXnews (www.hkexnews.hk) and the Bank (www.citicbank.com) on 20 March 2026, as well as relevant disclosures on the ESG section of the official website of the Bank (www.citicbank.com).

CHAPTER 4 REPORT OF THE BOARD OF DIRECTORS

4.1 Purchase, Sale or Redemption of Listed Securities of the Bank

During the reporting period, neither the Bank nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Bank (including selling treasury shares). As at the end of the reporting period, the Bank did not hold any treasury shares.

4.2 Major Contracts and Their Performance

4.2.1 Material Custody, Contracting and Leasing

During the reporting period, the Bank neither incurred nor had any material custodianship, contracting, or leasing of other companies' assets that required disclosure, nor were there any instances of other companies involved in the custody, contracting, or leasing of the Bank's material assets.

4.2.2 Material Guarantees

Guarantee business is one of the regular off-balance sheet items of the Bank. Except for the financial guarantee business within its approved business scope, during the reporting period, the Bank did not have any other material guarantee that needed to be disclosed.

4.2.3 Other Material Contracts

During the reporting period, the Bank did not sign any other material contracts beyond its regular business scope.

4.3 Appropriation of Funds by the Controlling Shareholder and Other Related Parties

During the reporting period, there was no appropriation of the Bank's funds by either its controlling shareholder or other related parties.

4.4 Material Related Party Transactions

The Bank identified related parties and conducted related party transactions in accordance with the relevant rules and guidelines of regulators such as the NFRA, the SSE and the SEHK, as well as accounting standards. When engaging in transactions with related parties during its ordinary and usual course of business, the Bank executed the transactions according to general business principles on terms no more favorable than those available to independent third parties, which was in line with the overall interests of the Bank and its shareholders. For statistical details of the related party transactions, please refer to Note 56 to the financial statements contained in this report, of which the transactions constituting connected transactions as per Chapter 14A of the Hong Kong Listing Rules all complied with the disclosure requirements of Chapter 14A of the Hong Kong Listing Rules. Except for what has been disclosed under this section, other related party transactions constitute no connected transactions as per Chapter 14A of the Hong Kong Listing Rules.

According to regulatory rules of the NFRA, the Bank submitted material related party transactions with related parties to the Related Party Transactions Control Committee of the Board of Directors for preliminary review, presented them to the Board of Directors for further deliberation and disclosure, and filed them with the NFRA for record in a timely manner. According to rules of the SSE and the SEHK, the Bank strictly controlled related party transactions where businesses with applied annual caps on related party transactions were conducted within the caps. For the businesses without applied annual caps on related party transactions, the Bank properly exercised management and monitoring, and once the review or disclosure requirements were triggered, it timely performed review or disclosure procedures according to the regulatory requirements. According to the rules of the Ministry of Finance, the Bank accurately disclosed related party transactions information in the notes to the financial statements. On the basis of quarterly reporting on credit extension and non-credit extension related party transactions to the Related Party Transactions Control Committee of the Board of Directors, the Bank submitted data to the related party transactions regulation system in accordance with the requirements of the NFRA.

During the reporting period, the Related Party Transactions Control Committee of the Board of Directors and the Board of Directors respectively held two meetings concerning related party transactions, and conducted preliminary review and approved five proposals on related party transactions regarding material related party transactions[42], and an annual report on related party transactions, etc. The Bank published 12 ad hoc announcements on related party transactions on the websites of the SSE and the SEHK, and disclosed 8 announcements related to material related party transactions and 2 announcements on general related party transactions on its official website, which met regulatory requirements.

4.4.1 Related Party Transactions Involving Disposal and Acquisition of Assets or Equity

During the reporting period, the Group was not engaged in any material related party transactions involving the disposal or acquisition of assets or equity under the rules of the SSE.

[42] During the reporting period, the Board of Directors reviewed and approved four material related party transactions on 26 June 2026, all of which were conducted with CITIC Group and its associates. Among them, there were three new material related party transactions totalling RMB140.0 billion, and one amendment to an earlier-approved material related party transaction.

4.4.2 Credit Extension Continuing Related Party Transactions

Based on business development needs, upon review at the meeting of the Board of Directors convened on 8 November 2023 and approval at the Extraordinary General Meeting convened on 28 December 2023, the Bank applied to the SSE for its respective annual caps on credit extension for the years of 2024 to 2026 for related party transactions with CITIC Group and its associates, and with Cinda Securities Co., Ltd.[43] where the Bank's related natural persons held positions. Upon review and approval at the meeting of the Board of Directors convened on 8 November 2023, the Bank applied to the SSE for the annual caps on credit extension for the years of 2024 to 2026 for its related party transactions with Quzhou Development and its associates. Upon review at the meeting of the Board of Directors convened on 15 July 2025 and approval at the Extraordinary General Meeting convened on 26 August 2025, the Bank applied to the SSE for the annual caps on credit extension for the years of 2025 and 2026 for its related party transactions with Bank of China Limited where the Bank's related natural persons held positions. Subject to the regulatory requirements applicable to the Bank, the 2026 annual caps and transaction amounts (as at the end of June) on credit extension for related party transactions with the aforementioned parties under the SSE regulatory criteria are listed as follows:

Unit: RMB100 million

Counterparty	Business type	Basis of calculation	Annual cap for 2026	Transaction amount from January to June 2026
CITIC Group and its associates	Credit extension	Credit line	4,000	3,403.48
Quzhou Development and its associates			150	59.50
Bank of China Limited where the Bank's related natural persons held positions			1,500	1,360.78

In addition, as per relevant NFRA requirements, the balance of the Bank's credit extension to a single related party shall not exceed 10% of the Bank's net capital of the preceding quarter end, the total balance of the Bank's credit extension to its group customer which a single related legal person or non-legal person organization belongs to shall not exceed 15% of the Bank's net capital of the preceding quarter end, and the balances of credit extension to all related parties shall not exceed 50% of the Bank's net capital of the preceding quarter end. The balance of the Bank's credit extension to a single related party, a group customer which a single related legal person or non-legal person organization belongs to, and all related parties were all in compliance with the above-mentioned regulatory requirements. The details are as follows:

[43] Cinda Securities Co., Ltd. has ceased to be a related party of the Bank since 27 August 2025.

Unit: RMB100 million

Counterparty	**Credit balance**	**Percentage of the Bank's net capital**
Largest single related party	156.53	1.75%
CITIC Group and legal persons or organizations under its control	961.65	10.73%
Quzhou Industrial Group and legal persons or organizations under its control	139.77	1.56%
China Tobacco and legal persons or organizations under its control	5.45	0.06%
All related parties	1,540.66	17.20%

Notes: (1) The above credit balances have been net of margin deposits, pledged certificates of deposit, and Chinese government bonds provided by related parties at the time the credit facilities were granted. They also excluded the interbank credit balances that, in accordance with Article 16 of the *Measures for the Administration of Related Party Transactions of Banking and Insurance Institutions*, are not subject to the ratio requirements as set forth in Paragraph 1 of Article 16, as well as the credit balances approved by regulators to be exempt from statistical inclusion.

(2) The credit balance to all related parties included credit balances to each related party group customer, related enterprises in which related natural persons made investments or held positions, related enterprises over which shareholders exercised significant influence, and all related natural persons.

The Bank attached great importance to the daily monitoring and management of related party credit extension transactions and ensured lawfulness and compliance of such transactions by taking measures such as more intensive process-based management, strict risk review and enhanced post-lending management of related credit extension. As at the end of the reporting period, the Group's credit extension to related enterprises was of good quality in general, with three special mention loans (RMB1,530 million), three suspicious loans (RMB316 million) and five loss loans (RMB7,624 million), and all others being performing loans. In terms of transaction volume, structure and quality, such credit extension transactions had no material impact on the normal operations of the Group. The credit extension businesses conducted between the Group and the aforementioned related parties were conducted on general commercial terms within the caps and on terms no more favorable than those available to independent third parties.

The Bank stringently followed the requirements of regulatory bodies such as the SSE and the NFRA on review and disclosure procedures. As at the end of the reporting period, the Group had no fund exchange, appropriation or other situations as set forth in the *Regulatory Guidelines for Listed Companies No. 8 – Regulatory Requirements for Fund Transactions and External Guarantees of Listed Companies* (CSRC Announcement [2022] No. 26). The loans between the Group and the aforementioned related parties have no material adverse impact on the operating results or financial position of the Group.

4.4.3 Non-Credit Extension Continuing Related Party Transactions

Based on business development needs, upon review at the meeting of the Board of Directors convened on 8 November 2023 and approval at the Extraordinary General Meeting convened on 28 December 2023, the Bank applied to the SSE and the SEHK for the annual caps on the eight main categories of continuing non-credit extension related party transactions with CITIC Group and its associates for the years of 2024 to 2026, and has entered into relevant agreements on continuing related party transactions framework on the same day of the Board of Directors' meeting. Upon review and approval at the meeting of the Board of Directors convened on 8 November 2023, the Bank applied to the SSE for the annual caps on the six main categories of continuing non-credit extension related party transactions with Quzhou Development and its associates for the years of 2024 to 2026. Upon review at the meeting of the Board of Directors convened on 8 November 2023 and approval at the Extraordinary General Meeting convened on 28 December 2023, the Bank applied to the SSE for the annual caps on the four main categories of continuing non-credit extension related party transactions with Cinda Securities Co., Ltd. where the Bank's related natural persons held positions for the years of 2024 to 2026. Upon review at the meeting of the Board of Directors convened on 15 July 2025 and approval at the Extraordinary General Meeting convened on 26 August 2025, the Bank applied to the SSE for the annual caps on the eight main categories of continuing non-credit extension related party transactions with Bank of China Limited where the Bank's related natural persons held positions for the years of 2025 and 2026. The non-credit extension transactions between the Group and the aforementioned related parties followed general commercial principles and were executed on terms no more favorable than those available to independent third parties.

In accordance with the applicable provisions of Chapter 14A of the Hong Kong Listing Rules and Chapter 6 of the *Rules Governing the Listing of Stocks on the Shanghai Stock Exchange*, particulars of the Group's non-credit extension continuing related party transactions with the aforesaid related parties during the reporting period are described as follows:

4.4.3.1 Asset Transfer

Asset transfer transactions between the Group and its related parties shall be made on terms no more favorable than those available to independent third parties. The transactions are priced based on the following principles: (1) at the price prescribed or set by the state or government (i.e., the price prescribed by the state or government authority in accordance with relevant laws and other normative documents); (2) at market price if there is no such price prescribed or set by the state or government; and (3) at carrying amount of relevant assets with an appropriate discount to reflect appropriate risks for the assets where there is no price prescribed or set by the state or government or market price.

The principal terms of the Asset Transfer Framework Agreement are set out as follows: (1) the Bank buys or sells movable and immovable properties for its own use, credit assets or other related assets in its ordinary course of business, including but not limited to, buying or selling movable and immovable properties for its own use, transferring in/out corporate, retail credit and non-credit assets and their (usufruct) beneficial rights, accounts receivable and other assets directly or through asset management plan, asset securitization, factoring, forfaiting and other forms; buying or selling creditor's rights of interbank assets, or receiving and disposing of repossessed assets; conducting guarantee and discounting of commercial acceptance drafts and bill discounting not involving credit risk of discount applicants; other asset transfer businesses; (2) both parties of the agreement shall provide the services prescribed in the agreement; and (3) asset transfer pursuant to the agreement shall be conducted in accordance with general commercial principles on terms no more favorable than similar transactions with independent third parties.

During the reporting period, related party transactions between the Group and related parties for which caps on related party transactions on asset transfer were applied are as follows:

Unit: RMB100 million

Counterparty	Business type	Basis of calculation	Annual cap for 2026	Transaction amount from January to June 2026
CITIC Group and its associates	Asset transfer	Transaction price	1,900	187.75
Quzhou Development and its associates			15	0
Bank of China Limited where the Bank's related natural persons held positions			3,300	238.31

As at the end of the reporting period, none of the related party transactions on asset transfer between the Group and the above-mentioned related parties exceeded the corresponding approved annual caps.

4.4.3.2 Comprehensive Services

The Group and related parties shall determine the fees of comprehensive services through fair consultation with reference to the market prices of similar transactions or the fees and rates applicable to transactions conducted by independent third parties.

The principal terms of the Comprehensive Service Framework Agreement are set out as follows: (1) comprehensive services conducted include but are not limited to insurance services and medical fund management, merchandise service procurement (including conference hosting services), outsourcing services, value-added services (including points redemption services for bank card customers), advertising services, technology services, call center services, property leasing and property management, project contracting and other comprehensive services; (2) both parties of the agreement shall provide the services prescribed in the agreement; (3) the service provider and its associates are entitled to obtain service fees in accordance with law; and (4) the comprehensive services to be provided under the agreement shall be conducted in accordance with general commercial principles on terms no more favorable than similar transactions with independent third parties.

During the reporting period, related party transactions between the Group and related parties for which caps on related party transactions on comprehensive services were applied are as follows:

Unit: RMB100 million

Counterparty	**Business type**	**Basis of calculation**	**Annual cap for 2026**	**Transaction amount from January to June 2026**
CITIC Group and its associates	Comprehensive services	Service fee expense/income	70	22.41
Bank of China Limited where the Bank's related natural persons held positions			0.05	0

As at the end of the reporting period, none of the related party transactions on comprehensive services between the Group and the above-mentioned related parties exceeded the corresponding approved annual caps.

4.4.3.3 Financial Consulting and Asset Management Services

The Group and its related parties shall determine the fees of financial consulting and asset management services through fair consultation, with transaction prices or rates no more favorable than those available to any independent third party, or determine the prices and rates for specific services based on the market prices and rates applicable to the same transaction for the independent counterparty.

The principal terms of the Financial Consulting and Asset Management Service Framework Agreement are set out as follows: (1) services conducted include but are not limited to bond underwriting, financing and financial consulting services, financial products agency sales, asset securitization, entrusted loan services, underwriting of investment and financing projects, consulting services, and management of factoring receivables, collection of receivables, guarantee for bad loans, asset management, and other financial consulting and asset management services; (2) both parties of the agreement shall provide the services prescribed in the agreement; (3) the service provider and its associates shall be entitled to obtain service fees in accordance with law; and (4) the financial consulting and asset management services to be provided under the agreement shall be conducted in accordance with general commercial principles on terms no more favorable than similar transactions with independent third parties.

During the reporting period, related party transactions between the Group and related parties for which caps on related party transactions on financial consulting and asset management services were applied are as follows:

Unit: RMB100 million

Counterparty	Business type	Basis of calculation	Annual cap for 2026	Transaction amount from January to June 2026
CITIC Group and its associates	Financial consulting and asset management services	Service fee income/expense	200	19.27
Quzhou Development and its associates			0.5	0.01
Bank of China Limited where the Bank's related natural persons held positions			3.5	1.20

As at the end of the reporting period, none of the related party transactions on financial consulting and asset management services between the Group and the above-mentioned related parties exceeded the corresponding approved annual caps.

4.4.3.4 Asset Custody and Account Management Services

Asset custody and account management services between the Group and related parties shall be conducted on terms no more favorable than those available to independent third parties. Such transactions are priced according to the following principles: (1) the service fees paid by both parties under this agreement are subject to relevant market prices and periodic review; (2) for asset custody services and account management service provided by the service provider related to its financial assets or funds, fees shall be charged based on the type of assets/account under custody at 0%-2% of the assets or funds under management on the premise of following national and regulatory rules. As for account management services and special types of asset custody products such as custody of corporate pension funds, fees no more favorable than those available to independent third parties shall be charged; (3) as for third-party supervision services for financing goods of credit enterprises provided by the service provider, the fees shall vary according to the types of goods. Specifically, the supervision service fees for automobiles are charged at the rate of RMB50,000 to RMB100,000 per year per person for a single store. Bulk cargo supervision service fees are charged at the rate of 0.5%-0.8% of the Bank's credit exposure limit; (4) as for the third-party escrow services provided by the service provider to the recipient, the service fees shall be charged based on the aggregate balance of the customer's funds under management at the end of each quarter multiplied by an annual fee rate of 0‰ to 1‰ (converted to daily fee rate).

The principal terms of the Asset Custody and Account Management Service Framework Agreement are set out as follows: (1) the services to be provided under the agreement include but are not limited to asset custody services and account management services provided by the service provider in relation to its financial assets or funds, third-party supervision services provided by the service provider for the financing goods of credit enterprises, and the third-party escrow services provided by the service provider to the recipient; (2) both parties of the agreement shall provide the services prescribed in the agreement; (3) the service provider and its associates shall be entitled to obtain service fees in accordance with law; and (4) the asset custody and account management services to be provided under the agreement shall be conducted in accordance with general commercial principles on terms no more favorable than similar transactions with independent third parties.

During the reporting period, related party transactions between the Group and related parties for which caps on related party transactions on asset custody and account management services were applied are as follows:

Unit: RMB100 million

Counterparty	**Business type**	**Basis of calculation**	**Annual cap for 2026**	**Transaction amount from January to June 2026**
CITIC Group and its associates	Asset custody and account management services	Service fee income/expense	40	6.55
Bank of China Limited where the Bank's related natural persons held positions			1	0.10

As at the end of the reporting period, none of the related party transactions on asset custody and account management services between the Group and the above-mentioned related parties exceeded the corresponding approved annual caps.

4.4.3.5 Other Financial Services

The Group and its related parties shall determine the fees for other financial services between them through fair consultation, with transaction prices and rates no more favorable than those available to any independent third party, or determine the prices and rates for specific services based on the market prices and rates applicable to the same transaction for the independent counterparty.

The principal terms of the Other Financial Service Framework Agreement are set out as follows: (1) services conducted include but are not limited to agency spot foreign exchange settlement and sales and foreign exchange trading, guarantee and commitment business, e-banking business, bank card business, domestic/international settlement business, entrusted agency business, safe deposit box business, acquiring business and other financial services; (2) both parties of the agreement shall provide the services prescribed in the agreement; (3) the service provider and its associates shall be entitled to obtain service fees in accordance with law; and (4) other financial services to be provided under the agreement shall be conducted in accordance with general commercial principles on terms no more favorable than similar transactions with independent third parties.

During the reporting period, related party transactions between the Group and related parties for which caps on related party transactions on other financial services were applied are as follows:

Unit: RMB100 million

Counterparty	Business type	Basis of calculation	Annual cap for 2026	Transaction amount from January to June 2026
CITIC Group and its associates	Other financial services	Service fee income/expense	32	3.83
Quzhou Development and its associates			2.5	0.23
Bank of China Limited where the Bank's related natural persons held positions			1.5	0.04

As at the end of the reporting period, none of the related party transactions on other financial services between the Group and the above-mentioned related parties exceeded the corresponding approved annual caps.

4.4.3.6 *Deposit Business*

The Group absorbed deposits from related parties according to market-based pricing and general commercial principles and based on terms no more favorable than those available for similar transactions with independent third parties.

The principal terms of the Deposit Business Framework Agreement are set out as follows: (1) the Bank shall provide deposit services, including but not limited to corporate deposits, i.e. negotiated deposit, agreement deposit, call deposit, time deposit (including large-denomination certificate of deposit) and structured deposit, as well as interbank deposits, i.e. interbank time deposits, etc.; (2) both parties to the agreement shall carry out business under the agreement; (3) deposits takers shall pay interest to depositors in accordance with terms stipulated for deposit business; and (4) the deposit business to be conducted under the agreement shall follow general commercial principles and be executed on terms no more favorable than those available to independent third parties.

During the reporting period, related party transactions between the Group and related parties for which caps on related party transactions on deposit business were applied are as follows:

Unit: RMB100 million

Counterparty	Business type	Basis of calculation	Annual cap for 2026	Transaction amount from January to June 2026
CITIC Group and its associates	Deposit business	Amount of interest paid	20	3.49
Quzhou Development and its associates			1.6	0.66
Bank of China Limited where the Bank's related natural persons held positions			5	1.87

As at the end of the reporting period, none of the related party transactions on deposit business between the Group and the above-mentioned related parties exceeded the corresponding approved annual caps.

4.4.3.7 *Financial Market Business*

The financial market business conducted between the Group and related parties shall be determined by both parties through fair consultation with reference to the market prices of similar transactions, and follow the following pricing principles: (1) the pricing of related party transactions shall be similar to market prices and interbank prices, with no obvious deviation from the prices of similar transactions of independent third parties in the market; (2) the pricing standard for agency foreign exchange derivatives in derivatives business shall be determined through fair and equal negotiation between both parties, with prices or rates no more favorable than those available to independent third parties. Meanwhile, the Bank shall comply with relevant provisions of the PBOC and the State Administration of Foreign Exchange, and conduct the business according to the commercial principles of market-oriented pricing.

The principal terms of the Financial Market Business Framework Agreement are as follows: (1) businesses include but are not limited to interbank lending, bond repurchase, bond lending, precious metals lending, bill repurchase, proprietary spot foreign exchange business (including foreign exchange settlement and sale), spot precious metals business, derivatives business, bond business, purchase and sale of rediscounted bills, interbank borrowing business, bill discounting business (the acceptor is a related party) and other treasury transactions; (2) both parties to the agreement shall carry out business under the agreement; and (3) the transactions shall be executed on terms no more favorable than those available to independent third parties.

During the reporting period, related party transactions between the Group and related parties for which caps on related party transactions on financial market business were applied are as follows:

Unit: RMB100 million

Counterparty	Business type	Basis of calculation	Annual cap for 2026	Transaction amount from January to June 2026
CITIC Group and its associates	Financial markets business	Credit line/ transaction principal/ transaction profit and loss	47,000	7,714.75
Quzhou Development and its associates			5	0
Bank of China Limited where the Bank's related natural persons held positions			75,500	13,324.38

As at the end of the reporting period, none of the related party transactions on financial market business between the Group and the above-mentioned related parties exceeded the corresponding approved annual caps.

4.4.3.8 Investment Business

The investment business conducted between the Group and related parties shall be determined by both parties through fair consultation with reference to the market prices of similar transactions.

The principal terms of the Investment Business Framework Agreement are set out as follows: (1) businesses include but are not limited to investment in securities, funds (including fund subsidiaries), insurance, trust and other (financial) products issued/established by financial institutions or authorized entities (including but not limited to asset management plans of securities companies, special fund plans, trust plans, trust beneficiary rights, asset-backed securities and asset-backed notes), entrusted investment, investment of wealth management funds in bonds with related parties as financing entity, non-standard creditor's rights, equity, interbank deposits and other investment transactions; (2) both parties to the agreement shall carry out business under the agreement; (3) the transactions shall be executed on terms no more favorable than those available to independent third parties.

During the reporting period, related party transactions between the Group and related parties for which caps on related party transactions on investment business were applied are as follows:

Unit: RMB100 million

Counterparty	Business type	Basis of calculation	Annual cap for 2026	Transaction amount from January to June 2026
CITIC Group and its associates	Investment business	Investment amount (balance at any point in time)	5,000	3,015.15
Quzhou Development and its associates			50	0.10
Bank of China Limited where the Bank's related natural persons held positions			2,100	644.79

As at the end of the reporting period, none of the related party transactions on investment business between the Group and the above-mentioned related parties exceeded the corresponding approved annual caps.

4.4.4 Related Party Transactions in Joint External Investment

During the reporting period, the Group did not carry out material related party transactions arising from joint external investment with its related parties under the rules of the SSE.

4.4.5 Related Party Debt Transactions and Guarantees

For details of debt transactions and guarantees between the Group and its related parties, please refer to Note 56(b) to the financial statements of this report.

4.4.6 Related Party Transactions with Related Finance Companies

4.4.6.1 Deposit Business

During the reporting period, the Group had no deposit business with its related finance company CITIC Finance Company Limited (hereinafter referred to as "CITIC Finance"), and the changes in deposit business of CITIC Finance with the Group are as follows:

Unit: RMB100 million

Company	Daily upper limit for deposit	Range of deposit rate	Opening balance	Deposited amount from January to June 2026	Withdrawn amount from January to June 2026	Closing balance
CITIC Finance	None	0-3.95%	94.17	742.18	747.45	88.90

4.4.6.2 *Loan Business*

During the reporting period, both the amount of loans issued by the Group to CITIC Finance and the amount of loans issued by CITIC Finance to the Group were zero.

4.4.6.3 *Credit Business*

During the reporting period, the Group granted a total credit line of RMB12.0 billion to CITIC Finance, with a credit balance of RMB45 million as at the end of the reporting period. During the reporting period, CITIC Finance granted a total credit line of RMB23.3 billion to the Group, with a credit balance of RMB8,890 million as at the end of the reporting period.

4.4.6.4 *Other Financial Business*

During the reporting period, the Group charged CITIC Finance total fees of RMB2 million on various settlement services provided.

4.4.7 Transaction Balances and Risk Exposures of Related Natural Persons

For details of the transaction balances and risk exposures relating to the transactions between the Bank and its related natural persons, please refer to Note 48(6) to the Bank's financial statements prepared according to the PRC Accounting Standards.

4.5 Material Litigation and Arbitration

During the reporting period, the Group had no material litigation or arbitration. The Group was involved in several litigation and arbitration cases in its ordinary and usual course of business. Most of these litigation and arbitration cases were initiated by the Group for loan recovery, and there were also litigation and arbitration cases resulting from disputes with customers. As at the end of the reporting period, there were 203 outstanding litigation and arbitration cases (regardless of the disputed amounts) in the Group's ordinary and usual course of business where the Group acted as defendant/respondent, with an aggregate disputed amount of RMB960 million. The Group is of the view that the above-mentioned litigation or arbitration has no significant adverse impacts on either its financial position or its operating results.

4.6 Undertakings by the Company and Its Relevant Stakeholders

Undertaking party	Type of undertaking	Matters undertaken	Undertaking time	Period of effectiveness	Fulfillment as at the end of the reporting period
CITIC Group and the Bank	Undertakings about avoiding horizontal competition	CITIC Group and the Bank gave the following undertakings in the *Prospectus for the Initial Public Offering (A Shares) of China CITIC Bank Corporation Limited* regarding arrangements to avoid horizontal competition: As the controlling shareholder of the Bank, CITIC Group will not directly engage in competitive commercial banking business; the Bank's key region of operation is the Chinese mainland; CITIC Group and the Bank will strive to establish an effective mechanism to avoid future horizontal competition.	26 April 2007	Valid on an ongoing basis	Remain valid and duly performed
The Bank's directors and senior management members	Others	Undertakings about faithful implementation of the remedial measures regarding the dilution of immediate returns that may arise from the Bank's non-public offering of preference shares in the domestic market.	24 March 2016	Valid on an ongoing basis	Remain valid and duly performed
	Others	Undertakings about faithful implementation of the remedial measures regarding the dilution of immediate returns that may arise from the Bank's rights issue to existing shareholders.	30 April 2022	Valid on an ongoing basis	Remain valid and duly performed
CITIC Financial Holdings	Undertakings about share subscription	Undertakings that CITIC Financial Holdings will subscribe for all the A shares offered to it under the rights issue plan.	22 June 2022	Valid on an ongoing basis	Remain valid and duly performed

Undertaking party	Type of undertaking	Matters undertaken	Undertaking time	Period of effectiveness	Fulfillment as at the end of the reporting period
	Undertakings about continuously maintaining the independent operation of the listed company, avoiding horizontal competition, and regulating related party transactions	Undertakings that CITIC Financial Holdings gave in the *Report on Acquisition of China CITIC Bank Corporation Limited* about continuously maintaining the independent operation of the Bank, avoiding horizontal competition, and regulating related party transactions.	8 November 2022	Valid on an ongoing basis	Remain valid and duly performed
CITIC Group	Undertakings about avoiding horizontal competition	To protect the legitimate rights and interests of the Bank and its minority shareholders, and to eliminate and avoid horizontal competition between the Bank and its subsidiaries, CITIC Group gave the following undertakings: (1) Regarding the horizontal competition between Huarong Financial Leasing and CITIC Financial Leasing arising from CITIC Group's acquisition of Huarong Financial Leasing, CITIC Group will, within five years from the date of obtaining control of Huarong Financial Leasing, strive to steadily advance the integration of related businesses and eliminate horizontal competition by multiple means such as asset restructuring, asset disposal, equity transfer, business adjustment and entrusted management, while complying with the requirements of relevant securities regulators as well as applicable laws, regulations, and regulatory rules and acting in the interest of the development of China CITIC Bank and the protection of its shareholders, especially minority shareholders.	29 May 2024	Valid on an ongoing basis	Remain valid and duly performed

Undertaking party	Type of undertaking	Matters undertaken	Undertaking time	Period of effectiveness	Fulfillment as at the end of the reporting period
		(2) CITIC Group has been committed to strictly complying with laws, regulations, as well as China CITIC Bank's Articles of Association and relevant management rules, not taking advantage of its position as the de facto controller of China CITIC Bank to seek improper benefits or harm the interests of China CITIC Bank and other shareholders.			
		(3) The above undertakings will remain effective during the period in which CITIC Group acts as the de facto controller of China CITIC Bank. CITIC Group has been committed to strictly fulfilling all items in the letter of undertakings, and shall assume responsibility for any loss incurred by China CITIC Bank due to its violation of these obligations.			

4.7 Penalties Imposed on the Company and its Directors, Senior Management Members, Controlling Shareholder and De Facto Controller

To the best of the Bank's knowledge, during the reporting period, the Bank was not investigated for any suspected crimes according to laws, and none of its controlling shareholder, de facto controller, directors, and senior management members was suspected of committing crimes or was subject to compulsory measures according to law; the Bank or its controlling shareholder, de facto controller, directors, or senior management members were not subject to criminal punishment, investigation by the CSRC for suspected violation of laws and regulations or administrative punishment by the CSRC, administrative and regulatory measures by the CSRC, disciplinary punishment by stock exchange, or material administrative punishment by other competent authorities; none of the Bank's directors or senior management members was detained by the discipline inspection and supervision organs for suspected serious disciplinary violations or duty-related crimes, or subject to compulsory measures by other competent authorities for suspected violation of laws and regulations, which affected their duty performance.

4.8 Compliance with the *Corporate Governance Code* under the Hong Kong Listing Rules

On 30 December 2025, due to the change of work arrangements, Mr. Lu Wei resigned from his position as the Bank's President and Mr. Lu Wei's resignation took effect on 30 December 2025. On the same day, the Board of Directors considered and approved the relevant proposal appointing Mr. Fang Heying to perform the duties of President on an acting basis with effect from the date on which Mr. Lu Wei's resignation as the Bank's President took effect. On 20 May 2026, the Board of Directors of the Bank reviewed and approved the relevant proposal and appointed Mr. Lyu Tiangui as President and Chief Compliance Officer of the Bank. On 15 June 2026, Mr. Lyu Tiangui officially assumed office as President and Chief Compliance Officer of the Bank upon approval by the NFRA.

During the reporting period, save as disclosed in this report in respect of Chairman performing the duties of President on an acting basis, the Bank was in compliance with all applicable code provisions of the *Corporate Governance Code* set out in Appendix C1 to the Hong Kong Listing Rules.

4.9 Compliance with the *Model Code for Securities Transactions by Directors of Listed Issuers*

The Bank has adopted the *Model Code for Securities Transactions by Directors of Listed Issuers* (the "Model Code") as set out in Appendix C3 to the Hong Kong Listing Rules and has complied with Rule 13.67 of the Hong Kong Listing Rules to regulate the securities transactions of its directors. All the directors were consulted specifically for this matter, and all of them confirmed that they had strictly complied with the relevant provisions of the Model Code throughout the reporting period.

4.10 Review of Interim Results

The Audit Committee of the Board of Directors of the Bank has reviewed the accounting policies and practices adopted by the Bank together with the senior management, discussed matters on internal control and financial reporting, and reviewed the interim results. It is deemed that the accounting policies adopted by the Group in the interim financial report, except the newly promulgated and effective *Explanation No.19 on Enterprise Accounting Policies* and *Explanation No.20 on Enterprise Accounting Policies*, are consistent with those applied to the Group's annual financial statements for the year ended 31 December 2025.

4.11 Integrity of the Company and Its Relevant Stakeholders

During the reporting period, none of the Bank, its controlling shareholder, or its de facto controller was involved in the failure to execute valid court documents or the failure to repay matured debts of considerable amounts.

4.12 Events Relating to Bankruptcy or Restructuring

During the reporting period, the Bank did not incur any event relating to bankruptcy or restructuring.

4.13 Other Significant Events

4.13.1 Rights Issue to Existing Shareholders

The Bank plans to issue rights shares to its existing shareholders. Please refer to "Equity Financing" of Chapter 5 in this report for details thereof.

4.13.2 Capital Increase in CITIC Financial Leasing

The Bank's capital increase in CITIC Financial Leasing is detailed in "Material Investments, Material Acquisitions, and Material Sales of Assets and Equity" of Chapter 2 in this report.

4.13.3 Investment in Yunnan Hongta Bank

The Bank acquired a 14.52% equity interest in Yunnan Hongta Bank through a publicly listed transfer on a property rights exchange. For details, please refer to "Material Investments, Material Acquisitions, and Material Sales of Assets and Equity" of Chapter 2 in this report.

CHAPTER 5 CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

5.1 Ordinary Shares

5.1.1 Table of Changes in Ordinary Shares

Unit: Shares

Category	31 December 2025		Changes during the reporting period (+, –)					30 June 2026	
	Number of shares held	Percentage (%)	New issue	Bonus issue	Capital reserve converted to shares	Convertible bonds converted to shares	Subtotal	Number of shares held	Percentage (%)
I. Shares subject to restrictions on sale	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Shares held by the state	–	–	–	–	–	–	–	–	–
2. Shares held by state-owned legal persons	–	–	–	–	–	–	–	–	–
3. Shares held by other domestic investors	–	–	–	–	–	–	–	–	–
Including: Shares held by domestic non-state-owned legal persons	–	–	–	–	–	–	–	–	–
Shares held by domestic natural persons	–	–	–	–	–	–	–	–	–
4. Foreign-held shares	–	–	–	–	–	–	–	–	–
Including: Shares held by overseas legal persons	–	–	–	–	–	–	–	–	–
Shares held by overseas natural persons	–	–	–	–	–	–	–	–	–
II. Shares not subject to restrictions on sales	**55,645,162,264**	**100.00**	**-**	**-**	**-**	**-**	**-**	**55,645,162,264**	**100.00**
1. Renminbi-denominated ordinary shares	40,762,999,287	73.26	–	–	–	–	–	40,762,999,287	73.26
2. Domestically-listed foreign shares	–	–	–	–	–	–	–	–	–
3. Overseas-listed foreign shares	14,882,162,977	26.74	–	–	–	–	–	14,882,162,977	26.74
4. Others	–	–	–	–	–	–	–	–	–
III. Total Shares	**55,645,162,264**	**100.00**	**-**	**-**	**-**	**-**	**-**	**55,645,162,264**	**100.00**

5.1.2 Shares Subject to Restrictions on Sale

During the reporting period, none of the Bank's shareholders held shares subject to restrictions on sale.

5.1.3 Information on Ordinary Shareholders

5.1.3.1 Total Number of Shareholders

As at the end of the reporting period, the Bank had 113,096 accounts of ordinary shareholders in total, including 89,097 accounts of A shareholders and 23,999 accounts of registered H shareholders, and had no preference shareholders with restored voting rights or shareholders with special voting rights.

5.1.3.2 Information on the Top 10 Shareholders (as at the end of the reporting period)

Unit: Shares

No.	Name of shareholder	Nature of shareholder	Class of shares	Total number of shares held	Shareholding percentage (%)	Number of shares subject to restrictions on sale	Increase or decrease in shareholding during the reporting period	Shares pledged, marked or frozen
1	CITIC Financial Holdings	State-owned legal person	A share H share	36,028,393,412	64.75	0	0	0
2	Hong Kong Securities Clearing Company Nominees Limited	Overseas legal person	H share	11,853,965,147	21.30	0	+1,670,528	Unknown
3	China National Tobacco Corporation	State-owned legal person	A share	2,584,406,960	4.64	0	0	0
4	China Life Insurance Company Limited – Traditional – Ordinary Insurance Products – 005L – CT001 Shanghai	Others	A share	1,244,032,364	2.24	0	+338,030,824	0
5	China Securities Finance Corporation Limited	State-owned legal person	A share	644,599,847	1.16	0	-374,341,830	0
6	Hong Kong Securities Clearing Company Limited	Overseas legal person	A share	269,988,332	0.49	0	-4,664,599	0
7	Central Huijin Asset Management Ltd.	State-owned legal person	A share	267,137,050	0.48	0	0	0
8	China Construction Bank Corporation	State-owned legal person	H share	168,599,268	0.30	0	0	0
9	China Life Insurance Company Limited – Dividend – Individual Dividend – 005L – FH002 Shanghai	Others	A share	108,801,856	0.20	0	-1,480,835	0
10	China Construction Bank Corporation – Huatai-PineBridge CSI Dividend Low Volatility ETF	Others	A share	88,802,787	0.16	0	+19,633,243	0

Notes: (1) All shares held by the above-mentioned shareholders were shares of the Bank not subject to restrictions on sale.

(2) The shareholdings of A shareholders and H shareholders in the table above were calculated based on the Bank's share registers, respectively maintained with China Securities Depository and Clearing Corporation Limited Shanghai Branch and Computershare Hong Kong Investor Services Limited.

(3) Hong Kong Securities Clearing Company Nominees Limited is a wholly-owned subsidiary of Hong Kong Securities Clearing Company Limited. The total number of shares held by Hong Kong Securities Clearing Company Nominees Limited is the aggregate number of H shares it held in its capacity as nominee on behalf of all institutional and individual investors registered with the company as at the end of the reporting period. Hong Kong Securities Clearing Company Limited is an institution that is designated by others to hold shares, including the Shanghai Stock Connect shares held by Hong Kong and overseas investors, on behalf of others in its capacity as a nominee shareholder.

(4) CITIC Financial Holdings is a wholly-owned subsidiary of CITIC Corporation Limited. As at the end of the reporting period, CITIC Corporation Limited and its subsidiary held 36,610,129,412 shares of the Bank in aggregate, representing 65.79% of the total issued shares of the Bank, including 33,264,829,933 A shares and 3,345,299,479 H shares. CITIC Financial Holdings directly held 36,028,393,412 shares in the Bank, accounting for 64.75% of the total issued shares of the Bank, including 33,264,829,933 A shares and 2,763,563,479 H shares.

(5) Summit Idea Limited confirmed that, as at the end of the reporting period, it held via Hong Kong Securities Clearing Company Nominees Limited 2,292,579,000 H shares of the Bank, accounting for 4.12% of the Bank's total shares. Summit Idea Limited is a wholly-owned affiliate of Quzhou Development. In addition to the aforementioned shares, Hong Kong Xinhu Investment Co., Ltd., a wholly-owned subsidiary of Quzhou Development, also held 153,686,000 H shares of the Bank via Hong Kong Securities Clearing Company Nominees Limited, taking up 0.28% of the Bank's total shares.

(6) Note on related relations or concerted actions between the ordinary shareholders listed in the above table: Hong Kong Securities Clearing Company Nominees Limited is a wholly-owned subsidiary of Hong Kong Securities Clearing Company Limited. Central Huijin Investment Ltd. holds 100% equity interest in Central Huijin Asset Management Ltd. and 66.70% equity interest in China Securities Finance Corporation Limited. According to the *First Quarter Report of 2026 of China Construction Bank Corporation*, as at 31 March 2026, Central Huijin Investment Ltd., Central Huijin Asset Management Ltd. and China Securities Finance Corporation Limited together held 55.64% shares of China Construction Bank Corporation. According to public information, China Construction Bank Corporation served as the custodian bank for the "China Construction Bank Corporation – Huatai-PineBridge CSI Dividend Low Volatility ETF". In addition, based on public information, the Bank reached a preliminary conclusion that there was a related relation between China Life Insurance Company Limited – Traditional – Ordinary Insurance Products – 005L – CT001 Shanghai and China Life Insurance Company Limited – Dividend – Individual Dividend – 005L – FH002 Shanghai. Except for these, the Bank was not aware of any related relations or concerted actions between the shareholders listed in the above table.

(7) None of the top 10 shareholders of the Bank had a special account for repurchase.

(8) As far as the Bank was aware, as at the end of the reporting period, the shareholders listed in the above table neither delegated nor abstained from their voting rights, nor were they delegated with the voting rights of any other party.

(9) As far as the Bank was aware, save as Hong Kong Securities Clearing Company Nominees Limited (the situation of which is unknown), the shareholders listed in the above table did not participate in margin trading and short selling, or refinancing.

5.1.4 Interests and Short Positions Held by Substantial Ordinary Shareholders and Other Persons

The table below sets out the interests and short positions in the shares of the Bank held by substantial shareholders and other persons (except the directors and chief executive of the Bank as defined according to the Hong Kong Listing Rules) as recorded in the register that the Bank maintained pursuant to Section 336 of the *Securities and Futures Ordinance* and as far as the Bank was aware as at the end of the reporting period.

Name	Class of shares	Identity	Number of shares held	Shareholding percentage of the issued share capital of the same class (%)	Shareholding percentage of the total issued share capital (%)
CITIC Financial Holdings	H share	Beneficial owner	2,763,563,479(L)	18.57	4.97
	H share	Interest of controlled corporations	1,123,363,710(L)	7.55	2.02
	A share	Beneficial owner	33,264,829,933(L)	81.61	59.78
CITIC Corporation Limited	H share	Beneficial owner	581,736,000(L)	3.91	1.05
	H share	Interest of controlled corporations	3,886,927,189(L)	26.12	6.99
	A share		33,264,829,933(L)	81.61	59.78
CITIC Limited	H share	Interest of controlled corporations	4,468,663,189(L)	30.03	8.03
	A share		33,264,829,933(L)	81.61	59.78
CITIC Polaris Limited	H share	Interest of controlled corporations	4,468,663,189(L)	30.03	8.03
	A share		33,264,829,933(L)	81.61	59.78
CITIC Glory Limited	H share	Interest of controlled corporations	4,468,663,189(L)	30.03	8.03
	A share		33,264,829,933(L)	81.61	59.78
CITIC Group	H share	Interest of controlled corporations	4,468,663,189(L)	30.03	8.03
	A share		33,264,829,933(L)	81.61	59.78
Summit Idea Limited	H share	Beneficial owner	2,292,579,000(L)	15.41	4.12
Total Partner Global Limited	H share	Interest of controlled corporations	2,292,579,000(L)	15.41	4.12
Hong Kong Xinhu Investment Co., Ltd.	H share	Beneficial owner	153,686,000(L)	1.03	0.28
		Interest of controlled corporations	2,292,579,000(L)	15.41	4.12
Quzhou Development	H share	Interest of controlled corporations	2,446,265,000(L)	16.44	4.40
Quzhou Zhibao Enterprise Management Partnership (Limited Partnership)	H share	Interest of controlled corporations	2,446,265,000(L)	16.44	4.40
Quzhou Zhina Enterprise Management Co., Ltd.	H share	Interest of controlled corporations	2,446,265,000(L)	16.44	4.40
Quzhou Industrial Investment Group Co., Ltd.	H share	Interest of controlled corporations	2,446,265,000(L)	16.44	4.40
Quzhou Industrial Group	H share	Interest of controlled corporations	2,446,265,000(L)	16.44	4.40
UBS SDIC Fund Management Co., Ltd.	H share	Investment manager	1,188,363,256(L)	7.99	2.14
CTI Capital Management Limited	H share	Person having a security interest in shares	1,123,363,710(L)	7.55	2.02
China CITIC Financial AMC International Holdings Limited	H share	Person having a security interest in shares	1,123,363,710(L)	7.55	2.02
China CITIC Financial Asset Management Co., Ltd.	H share	Person having a security interest in shares	1,123,363,710(L)	7.55	2.02

Notes: (1) (L) – long position.

(2) As CTI Capital Management Limited is a corporation indirectly controlled by CITIC Financial Holdings, the interests of CITIC Financial Holdings, CITIC Corporation Limited, CITIC Limited, CITIC Polaris Limited, CITIC Glory Limited and CITIC Group include a security interest in 1,123,363,710 shares of the Bank held by CTI Capital Management Limited.

(3) According to the information disclosed to the Bank in compliance with Divisions 2 and 3 of Part XV of the *Securities and Futures Ordinance*, the 1,188,363,256 (L) shares held by UBS SDIC Fund Management Co., Ltd are cash-settled unlisted derivatives.

(4) The above disclosure is made mainly on the basis of the information released on the HKEXnews (www.hkexnews.hk). Any discrepancies between the totals and the sum of the individual percentage figures in the table are due to rounding.

(5) According to Section 336 of the *Securities and Futures Ordinance*, if certain conditions are met, shareholders of the Bank shall submit the interest disclosure form. When there is a change to the number of shares of the Bank held by shareholders, unless certain conditions are met, shareholders need not notify the Bank or the SEHK. Therefore, the latest number of shares of the Bank held by shareholders may differ from the number submitted to the SEHK.

Except for the aforementioned disclosure, as at the end of the reporting period, the Bank was not aware of any person (except the directors and chief executive of the Bank defined according to the Hong Kong Listing Rules) held any interests and short positions in the shares of the Bank or underlying shares that shall be recorded in the register that the Bank maintained pursuant to Section 336 of the Securities and Futures Ordinance.

5.1.5 Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Bank or Associated Corporations Held by Its Directors and Chief Executive

The table below sets out the interests in the shares of the Bank held by directors and chief executive of the Bank as at the end of the reporting period as recorded in the register pursuant to Section 352 of the *Securities and Futures Ordinance* and as far as the Bank is aware:

Name	Position	Class of shares	Identity	Number of shares held	Shareholding percentage of the issued shares of the same class (%)	Shareholding percentage of the total issued ordinary shares (%)
Fang Heying	Chairman, Executive Director	H share	Beneficial owner	1,000,000(L)	0.0067	0.0018
Lyu Tiangui	Executive Director, President, Chief Compliance Officer	H share	Beneficial owner	900,000(L)	0.0060	0.0016
Hu Gang	Executive Director, Vice President	H share	Beneficial owner	1,627,000(L)	0.0109	0.0029

Notes: (1) (L) – long position.

(2) The above disclosure is made mainly on the basis of the information released on the HKEXnews (www.hkexnews.hk).

The table below sets out the interests in the shares of the Bank's associated corporations held by directors and chief executive of the Bank as at the end of the reporting period as recorded in the register pursuant to Section 352 of the *Securities and Futures Ordinance* and as far as the Bank is aware:

Name	**Associated corporation**	**Identity**	**Number of shares held**	**Shareholding percentage of the total issued ordinary shares (%)**
Fang Heying	CITIC Limited	Beneficial owner	38,000(L)	0.00013
Wei Qiang	CITIC Limited	Beneficial owner	107,000(L)	0.00037
Hu Gang	CITIC Limited	Beneficial owner	143,000(L)	0.00049

Notes: (1) (L) – long position.

(2) The above disclosure is made mainly on the basis of the information released on the HKEXnews (www.hkexnews.hk).

5.1.6 Controlling Shareholder and De Facto Controller of the Bank

5.1.6.1 Information on Controlling Shareholder and De Facto Controller of the Bank

During the reporting period, there was no change in the Bank's controlling shareholder or the Bank's de facto controller. As at the end of the reporting period, CITIC Financial Holdings was the controlling shareholder of the Bank; CITIC Corporation Limited was the single direct controlling shareholder of CITIC Financial Holdings; CITIC Limited was the single direct controlling shareholder of CITIC Corporation Limited; CITIC Group was the controlling shareholder of CITIC Limited and the de facto controller of the Bank.

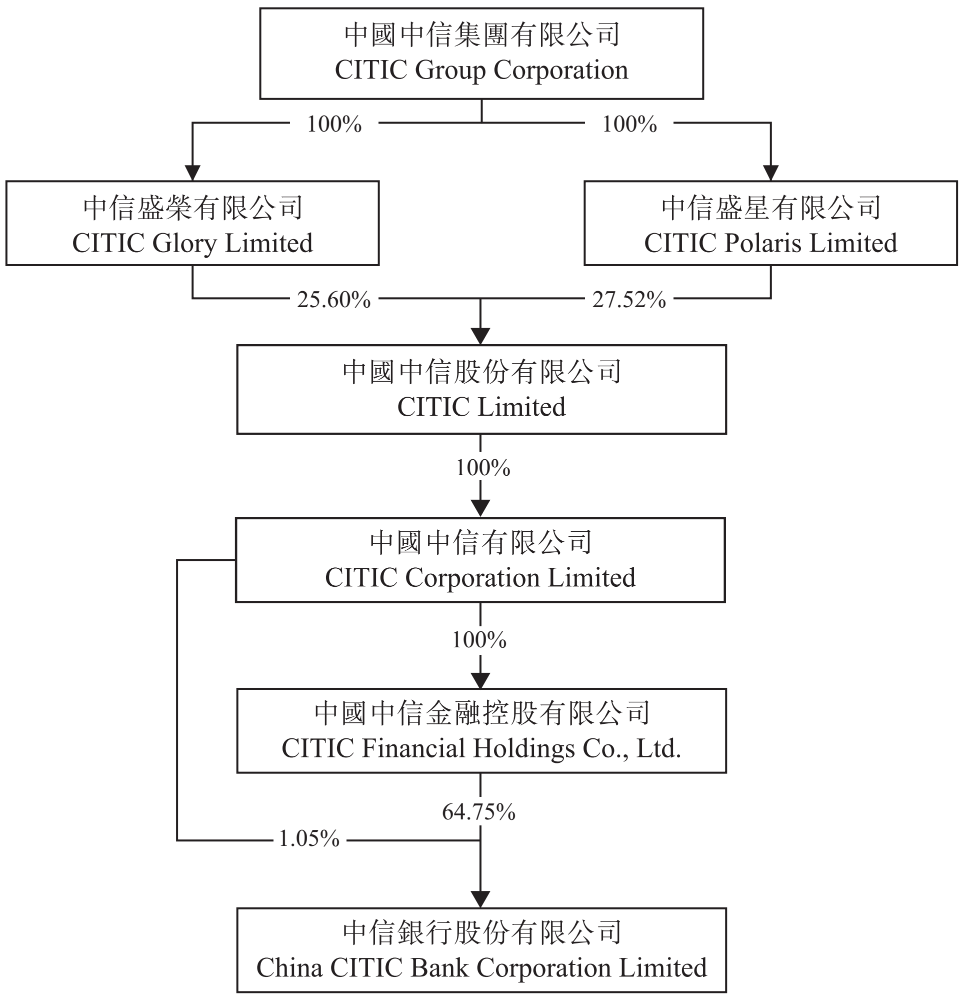
As at the end of the reporting period, CITIC Group had a registered capital of RMB205,311,476,359.03, and its legal representative was Xi Guohua. Its business scope covered: investment in and management of domestic and overseas financial enterprises and related industries including banking, securities, insurance, trust, asset management, futures, leases, funds and credit cards; investment businesses in energy, transportation infrastructure, mining, forestry resources development and raw materials industry, machinery manufacturing, real estate development, information infrastructure, basic telecommunications and value-added telecom services, environmental protection, pharmaceuticals, biological engineering and new materials, aviation, transportation, warehousing, hotels, tourism, domestic and international trade, commerce, education, publication, media, culture and sports, domestic and overseas engineering design, construction, contracting and sub-contracting, and industrial investment; asset management; capital operation; project tendering, exploration, design, construction, supervision, contracting and subcontracting and consulting services; external allocation of required workforce to overseas projects commensurate with its strength, scale and business performance; import and export; and information services business (only restricted to internet information services which excludes information search and inquiry service, information community service, instant information interaction service and information protection and processing service). (The market entity shall discretionally choose its business projects and conduct its business activities according to the law, conduct business items that may only be conducted with approval according to the law as per approval of competent authorities, and may not engage in business activities of projects that are prohibited or restricted by the national and municipal industrial policies).

As at the end of the reporting period, CITIC Financial Holdings had a registered capital of RMB42,000,000,000, and its legal representative was Xi Guohua. Its business scope covered: general projects: management of enterprise headquarters (the market entity shall independently carry out operating activities according to law based on its business license except for projects subject to approval according to law); licensed projects: financial holding company business (the market entity shall conduct business items that may only be conducted with approval according to law as per approval of competent authorities, and the specific business projects shall be subject to the relevant approval documents or permits issued by the competent authorities) (it may not engage in business activities of projects that are prohibited or restricted by the national and municipal industrial policies).

As at the end of the reporting period, CITIC Financial Holdings and its persons acting in concert held 36,610,129,412 shares of the Bank in aggregate, representing 65.79% of the total issued shares of the Bank, including 33,264,829,933 A shares and 3,345,299,479 H shares. CITIC Financial Holdings directly held 36,028,393,412 shares in the Bank, accounting for 64.75% of the total issued shares of the Bank, including 33,264,829,933 A shares and 2,763,563,479 H shares.

5.1.6.2 Ownership Structure among the Bank, Its Controlling Shareholder, and De Facto Controller

As at the end of the reporting period, the ownership structure among the Bank, its controlling shareholder, and its de facto controller was as follows:[44]



44 Due to rounding, the aggregate shareholding percentage may differ slightly from the sum of the respective direct shareholding percentages.

In accordance with relevant requirements of the *Provisional Measures for Equity Management of Commercial Banks*, as at the end of the reporting period, the controlling shareholder, de facto controller, person acting in concert, and ultimate beneficiary of CITIC Financial Holdings were as follows:

Name of shareholder	Controlling shareholder	De facto controller	Person acting in concert	Ultimate beneficiary
CITIC Financial Holdings	CITIC Corporation Limited	CITIC Group	CITIC Corporation Limited	CITIC Group

5.1.7 Information on Other Substantial Shareholders

Pursuant to the relevant provisions of the *Provisional Measures for the Management of Equity in Commercial Banks*, in addition to CITIC Financial Holdings, the substantial shareholders of the Bank also include China Tobacco and Summit Idea Limited. As at the end of the reporting period, among members of the Board of Directors of the Bank, one non-executive director was recommended by China Tobacco and one non-executive director was recommended by Summit Idea Limited.

China Tobacco is a mega state-owned enterprise established with approval from the State Council. As at the end of the reporting period, China Tobacco held 2,584,406,960 A shares of the Bank, accounting for 4.64% of the Bank's total shares, with no pledge of the Bank's equity. China Tobacco is an enterprise owned by the whole people with a registered capital of RMB57.0 billion. Its legal representative is Zhang Jianmin. The main business scope of China Tobacco includes the production, operation, and import and export of tobacco monopoly products, as well as the operation and management of state-owned assets.

Summit Idea Limited is a company incorporated in the British Virgin Islands. As at the end of the reporting period, it held via Hong Kong Securities Clearing Company Nominees Limited 2,292,579,000 H shares of the Bank, accounting for 4.12% of the Bank's total shares, with 1,123,363,710 H shares of the Bank pledged as at the end of the reporting period. Summit Idea Limited is a wholly-owned affiliate of Quzhou Development. In addition to the aforementioned shares, Hong Kong Xinhu Investment Co., Ltd., a wholly-owned subsidiary of Quzhou Development, also held 153,686,000 H shares of the Bank via Hong Kong Securities Clearing Company Nominees Limited, taking up 0.28% of the Bank's total shares. Quzhou Development (600208.SH) was listed on the SSE in 1999 with its principal business being real estate and investment. As at 31 March 2026, Quzhou Development recorded a registered capital of RMB8.5 billion, total assets of RMB93.6 billion, and net assets of RMB42.1 billion.

In accordance with relevant requirements of the *Provisional Measures for Equity Management of Commercial Banks*, as at the end of the reporting period, the above substantial shareholders and their controlling shareholders, de facto controllers, persons acting in concert, and ultimate beneficiaries were as follows:

Name of shareholder	Controlling shareholder	De facto controller	Person acting in concert	Ultimate beneficiary
China Tobacco	State Council	State Council	None	State Council
Summit Idea Limited	Total Partner Global Limited	Quzhou Industrial Group	Hong Kong Xinhu Investment Co., Ltd.	Quzhou Industrial Group

5.1.8 Other Legal-Person Shareholders Holding 10% or More of the Bank's Shares

As at the end of the reporting period, there were no other legal-person shareholders that held 10% or more of the Bank's shares except CITIC Financial Holdings.

5.2 Preference Shares

5.2.1 Issuance and Listing of Preference Shares

Upon obtaining the *Reply of China Banking Regulatory Commission on Approving China CITIC Bank's Private Offering of Preference Shares and Amendment to the Articles of Association* (CBRC Reply [2015] No. 540) from the former CBRC and the *Reply on Approving China CITIC Bank's Private Offering of Preference Shares* (CSRC License [2016] No. 1971) from the CSRC, the Bank made the non-public offering of 350 million onshore preference shares at a par value of RMB100 per share on 21 October 2016. These shares were issued at par at an initial coupon rate of 3.80% with no maturity date. These 350 million preference shares, referred to as "CITIC Excellent 1" with the preference share stock code of 360025, had been listed and traded on the SSE's Comprehensive Business Platform on 21 November 2016. Please refer to the relevant announcements published on the official websites of the SSE (www.sse.com.cn), HKEXnews (www.hkexnews.hk), and the Bank (www.citicbank.com) on 10 November 2016 and 16 November 2016 for detailed information thereof.

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

5.2.2 Number of Preference Shareholders and Their Shareholdings

As at the end of the reporting period, the Bank recorded 57 accounts of preference shareholders ("CITIC Excellent 1", code: 360025). Information on the top 10 preference shareholders at the end of the reporting period is set out in the table below:

Unit: Shares

No.	Name of shareholder (full name)	Nature of shareholder	Changes in shareholding in the reporting period (+, -)	Number of shares by the end of the reporting period	Shareholding percentage (%)	Class of shares held	Number of shares subject to restrictions on sale	Shares pledged or frozen Status	Shares pledged or frozen Quantity
1	China Mobile Communications Group Co., Ltd.	State-owned legal person	–	43,860,000	12.53	Onshore preference shares	–	–	–
2	China Life Insurance Company Limited – Dividend – Individual Dividend – 005L – FH002 Shanghai	Others	–	38,430,000	10.98	Onshore preference shares	–	–	–
3	China Life Insurance Company Limited – Traditional – Ordinary Insurance Products – 005L – CT001 Shanghai	Others	–	38,400,000	10.97	Onshore preference shares	–	–	–
4	Ping An Life Insurance Company of China, Ltd. – Universal – Individual Universal Insurance	Others	–	30,700,000	8.77	Onshore preference shares	–	–	–
5	Ping An Life Insurance Company of China, Ltd. – Dividend – Dividends for Individual Insurance	Others	–	30,700,000	8.77	Onshore preference shares	–	–	–
6	Ping An Property & Casualty Insurance Company of China, Ltd. – Traditional – Ordinary Insurance Products	Others	–	19,290,000	5.51	Onshore preference shares	–	–	–
7	CITIC Trust Co., Ltd. – CITIC Trust Youyue No. 3 Collective Capital Trust Plan	Others	–	15,400,000	4.40	Onshore preference shares	–	–	–
8	Ping An Trust Co., Ltd. – Ping An Trust Wenyou No. 10 Collective Capital Trust Plan	Others	–	14,575,000	4.16	Onshore preference shares	–	–	–
9	Hwabao Trust Co., Ltd. – Hwabao Trust – Multi-strategy Youying No. 4 Securities Investment Collective Capital Trust Plan	Others	–	10,520,000	3.01	Onshore preference shares	–	–	–
10	China Fund – CMB – China Fund Baofu No. 3 Collective Asset Management Plan	Others	–	7,401,300	2.11	Onshore preference shares	–	–	–

Notes: (1) The shareholdings of the preference shareholders were calculated based on the information contained in the preference-share register of the Bank.

(2) Note on related relations or concerted actions of the above preference shareholders: Based on publicly available information, the Bank reached the preliminary conclusion that there was related relation between China Life Insurance Company Limited – Dividend – Individual Dividend – 005L – FH002 Shanghai and China Life Insurance Company Limited – Traditional – Ordinary Insurance Products – 005L – CT001 Shanghai, and among Ping An Life Insurance Company of China, Ltd. – Universal – Individual Universal Insurance, Ping An Life Insurance Company of China, Ltd. – Dividend – Dividends for Individual Insurance, Ping An Property & Casualty Insurance Company of China, Ltd. – Traditional – Ordinary Insurance Products, and Ping An Trust Co., Ltd. – Ping An Trust Wenyou No. 10 Collective Capital Trust Plan. Except for these, the Bank was not aware of any other related relation or concerted action between the above-mentioned preference shareholders or between the above-mentioned preference shareholders and the top ten ordinary shareholders.

(3) "Shareholding percentage" means the percentage of preference shares held by preference shareholders in the total issued preference shares.

5.2.3 Dividend Distribution for Preference Shares

5.2.3.1 Policy on Dividend Distribution for Preference Shares

A coupon rate subject to phase-specific adjustment shall be applied to the Bank's preference shares. Every five years since the payment date of the subscribed shares constitutes an interest-bearing period, and the same coupon rate shall be applied to the whole period. The coupon rate for the first interest-bearing period was set at 3.80% through bookbuilding. Cash dividends shall be paid for the above-mentioned preference shares on an annual basis, with the interest-bearing principal calculated as the total par value of the issued ongoing preference shares and the start date of interest calculation being the final payment date of the subscribed shares (i.e., 26 October 2016). Dividends on the above preference shares shall not be cumulative, i.e., the shortage from a full-amount dividend payout in the current year will not be accumulated to the next interest-bearing year. Except for access to the dividends agreed upon in accordance with the issuance plan, the above-mentioned preference shareholders shall not participate in the distribution of residual profits together with the ordinary shareholders.

Since 26 October 2021, with the benchmark interest rate of "CITIC Excellent 1" being 2.78% for the second interest-bearing period and a fixed premium of 1.30%, the coupon rate recorded 4.08%. Please refer to the relevant announcements published on the official websites of the SSE (www.sse.com.cn), HKEXnews (www.hkexnews.hk), and the Bank (www.citicbank.com) on 27 October 2021 for detailed information thereof.

5.2.3.2 Payment of Dividends on Preference Shares during the Reporting Period

During the reporting period, the Bank did not distribute any dividend on preference shares.

5.2.3.3 Plan on Payment of Dividends on Preference Shares

The Bank adopted the 2026 Plan on Payment of Dividends on Preference Shares at the Board meeting convened on 26 August 2026, which approved that the preference share dividends accrued between 26 October 2025 and 25 October 2026 would be paid on 26 October 2026. The Bank will pay dividends on the preference shares to all the shareholders of "CITIC Excellent 1" (preference share stock code 360025) registered with China Securities Depository and Clearing Corporation Limited Shanghai Branch at the close of SSE trading on 23 October 2026. The Bank will pay out a preference share dividend of RMB4.08 per share (tax inclusive), which was calculated at a coupon rate of 4.08%, with total dividend payment for preference shares amounting to RMB1.428 billion (tax inclusive).

5.2.4 Redemption or Conversion of Preference Shares

No preference share of the Bank was redeemed or converted during the reporting period.

5.2.5 Restoration of Voting Right of Preference Shares

During the reporting period, there was no restoration of voting rights of preference shares.

5.2.6 Accounting Policies for Preference Shares and the Underlying Reasons

According to the relevant accounting standards promulgated by the Ministry of Finance, namely, *Accounting Standards for Enterprises No. 22 – Recognition and Measurement of Financial Instruments and Accounting Standards for Enterprises No. 37 – Presentation of Financial Instruments*, and pursuant to the principal terms of the preference shares issuance documents of the Bank, the above-mentioned preference shares are eligible to be classified as equity instruments. Hence, the preference shares of the Bank are accounted for as equity instruments.

5.3 Issuance and Listing of Securities

5.3.1 Equity Financing

The Bank planned to issue rights shares to existing shareholders (referred to as the "Rights Issue"), and the proceeds raised from the Rights Issue are expected to be no more than RMB40.0 billion (inclusive). All the proceeds raised from the Rights Issue, after deduction of relevant expenses relating to the issuance, will be used for the replenishment of the Bank's core tier-one capital, so as to increase its capital adequacy ratio, support its sustainable and healthy business development in the future, and enhance its capital strength and competitiveness. The Bank obtained the approval from the former CBIRC on the Rights Issue Plan in October 2022, and the Rights Issue application was accepted by the SSE on 3 March 2023. The Rights Issue Plan may only be implemented after obtaining the approval of the SSE and the decision of consent to registration by the CSRC. The Bank held the Annual Shareholders' Meeting of 2025 on 17 June 2026, which reviewed and approved the proposal regarding the extension of the effective period for the resolutions passed in relation to the Rights Issue.

Please refer to the relevant announcements on 28 October 2022, 6 March 2023, and 18 June 2026 published on the official websites of the SSE (www.sse.com.cn), HKEXnews (www.hkexnews.hk), and the Bank (www.citicbank.com) for details thereof.

During the reporting period, the Bank did not issue new shares.

5.3.2 Issuance and Redemption of Bonds

Issuance of Bonds

Pursuant to the *Affirmative Decision of Administrative License* from the People's Bank of China (PBOC Decision [2026] No. 31), the Bank was approved for the issuance of financial bonds. As of 31 March 2027, the increase in the balance of capital replenishment bonds and TLAC bonds shall not exceed RMB35.0 billion, and the balance of capital replenishment bonds and TLAC bonds shall not exceed RMB175.0 billion. Pursuant to the *Reply of the National Financial Regulatory Administration on Issuance of Capital Instruments by China CITIC Bank* (NFRA Reply [2025] No. 548), the Bank was approved to issue capital instruments of no more than RMB160.0 billion.

The 2026 Undated Capital Bonds of China CITIC Bank Corporation Limited (Tranche 1) (Bond Connect) were book-built on 8 April 2026, and the issuance was completed on 10 April 2026. The issuance size was RMB40.0 billion, with a coupon rate of 2.06% for the first five years, and the rate shall be reset every five years thereafter. The issuer has a conditional redemption right on the fifth year and on each interest payment date thereafter. The proceeds from the issuance will be used to replenish other tier 1 capital of the Bank in accordance with applicable laws and regulatory approvals.

The 2026 Undated Capital Bonds of China CITIC Bank Corporation Limited (Tranche 2) (Bond Connect) were book-built on 10 June 2026, and the issuance was completed on 12 June 2026. The issuance size was RMB20.0 billion, with a coupon rate of 1.97% for the first five years, and the rate shall be reset every five years thereafter. The issuer has a conditional redemption right on the fifth year and on each interest payment date thereafter. The proceeds from the issuance will be used to replenish other tier 1 capital of the Bank in accordance with applicable laws and regulatory approvals.

Please refer to the relevant announcements published on the official websites of the SSE (www.sse.com.cn), HKEXnews (www.hkexnews.hk) and the Bank (www.citicbank.com) on 11 April 2026 and 13 June 2026 for details of the issuance of the above financial bonds during the reporting period.

Redemption of bonds

On 26 April 2026, the Bank redeemed in full the amount of RMB40.0 billion of undated capital bonds issued on 26 April 2021 in the national interbank bond market.

Please refer to the relevant announcements published on the official websites of the SSE (www.sse.com.cn), HKEXnews (www.hkexnews.hk), and the Bank (www.citicbank.com) on 28 April 2026 for details of the above bond redemption.

For details of other outstanding bonds issued by the Bank and its subsidiaries, please refer to Notes 37 and 41 to the Financial Statements contained in this report.

5.3.3 Internal Employee Shares

There were no internal employee shares issued by the Bank.

China CITIC Bank Corporation Limited

(Incorporated in the People's Republic of China with Limited Liability)

Interim Financial Information (Unaudited)
For the six months ended 30 June 2026
(Prepared under IFRS Accounting Standards)

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Report On Review of Interim Financial Information
To the Board of Directors of China CITIC Bank Corporation Limited

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

Introduction

We have reviewed the interim financial information set out on pages 1 to 140, which comprises the consolidated interim statement of financial position of China CITIC Bank Corporation Limited (the "Bank") and its subsidiaries (collectively the "Group") as at 30 June 2026 and the consolidated interim statement of profit or loss, the consolidated interim statement of profit or loss and other comprehensive income, the consolidated interim statement of changes in equity, and the consolidated interim statement of cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and IAS 34 Interim Financial Reporting, as issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 Interim Financial Reporting.

Our responsibility is to express a conclusion, based on our review, on the interim financial information and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

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

Report On Review of Interim Financial Information To the Board of Directors of China CITIC Bank Corporation Limited (continued)

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information as at 30 June 2026 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting.

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

26 August 2026

Consolidated Interim Statement of Profit or Loss
For the six months ended 30 June 2026

(Amounts in millions of Renminbi unless otherwise stated)

	Note	*Six months ended 30 June* 2026 Unaudited	2025 Unaudited
Interest income		134,348	145,122
Interest expense		(61,199)	(73,921)
Net interest income	4	73,149	71,201
Fee and commission income		19,546	19,563
Fee and commission expense		(2,316)	(2,739)
Net fee and commission income	5	17,230	16,824
Net trading gain	6	2,715	3,604
Net gain from investment securities	7	13,140	12,918
Net hedging (loss) / gain		(49)	2
Other operating income	8	4,224	1,284
Operating income		110,409	105,833
Operating expenses	9	(30,270)	(30,035)
Operating profit before impairment		80,139	75,798
Credit impairment losses	10	(33,465)	(29,570)
Impairment reversals / (losses) on other assets		1	(16)
Revaluation losses on investment properties		(4)	(49)
Share of profit of associates and joint ventures		208	459
Profit before tax		46,879	46,622
Income tax expense	11	(8,700)	(9,548)
Profit for the period		38,179	37,074
Net profit attributable to:			
Equity holders of the Bank		37,602	36,478
Non-controlling interests		577	596
Earnings per share attributable to the ordinary shareholders of the Bank			
Basic earnings per share (RMB)	13	0.63	0.62
Diluted earnings per share (RMB)	13	0.63	0.61

The accompanying notes form an integral part of these consolidated interim financial statements.

Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income
For the six months ended 30 June 2026

(Amounts in millions of Renminbi unless otherwise stated)

	Note	*Six months ended 30 June* 2026 *Unaudited*	2025 *Unaudited*
Profit for the period		38,179	37,074
Other comprehensive income, net of tax			
Items that will not be reclassified to profit or loss :			
- Fair value changes on financial investments designated at fair value through other comprehensive income		(62)	(24)
Items that may be reclassified subsequently to profit or loss :			
- Other comprehensive income transferable to profit or loss under equity method		7	(52)
- Fair value changes on financial assets at fair value through other comprehensive income		1,033	(4,358)
- Impairment allowance on financial assets at fair value through other comprehensive income		(411)	(149)
- Exchange difference on translation of foreign financial statements statements		(2,154)	(1,706)
Other comprehensive income, net of tax	12	(1,587)	(6,289)
Total comprehensive income for the period		36,592	30,785
Total comprehensive income attribute to:			
Equity holders of the Bank		36,174	30,048
Non-controlling interests		418	737

The accompanying notes form an integral part of these consolidated interim financial statements.

Consolidated Interim Statement of Financial Position
As at 30 June 2026

(Amounts in millions of Renminbi unless otherwise stated)

	Note	*30 June 2026 Unaudited*	*31 December 2025 Audited*
Assets			
Cash and balances with central banks	14	523,466	386,916
Deposits with banks and non-bank financial institutions	15	82,428	141,197
Precious metals		28,246	28,851
Placements with and loans to banks and non-bank financial institutions	16	420,842	446,098
Derivative financial assets	17	51,766	41,026
Financial assets held under resale agreements	18	113,370	169,640
Loans and advances to customers	19	5,890,350	5,746,871
Financial investments	20		
- at fair value through profit or loss		725,042	678,778
- at amortised cost		1,368,218	1,312,900
- at fair value through other comprehensive income		917,082	926,913
- designated at fair value through other comprehensive income		8,148	8,234
Investments in associates and joint ventures	21	11,024	8,787
Investment properties	23	497	520
Property, plant and equipment	24	80,376	74,534
Right-of-use assets	25	9,929	10,337
Intangible assets	26	1,979	2,513
Goodwill	27	882	916
Deferred tax assets	28	52,517	54,670
Other assets	29	97,677	91,327
Total assets		10,383,839	10,131,028

Consolidated Interim Statement of Financial Position
As at 30 June 2026 (continued)

(Amounts in millions of Renminbi unless otherwise stated)

	Note	*30 June 2026 Unaudited*	*31 December 2025 Audited*
Liabilities			
Borrowings from central banks		218,517	204,025
Deposits from banks and non-bank financial institutions	31	1,226,651	936,672
Placements from banks and non-bank financial institutions	32	151,247	159,013
Financial liabilities at fair value through profit or loss		8,658	1,296
Derivative financial liabilities	17	50,034	44,364
Financial assets sold under repurchase agreements	33	299,945	477,502
Deposits from customers	34	6,336,499	6,127,012
Accrued staff costs	35	14,486	20,977
Taxes payable	36	4,417	4,642
Debt securities issued	37	1,089,183	1,214,339
Lease liabilities	25	9,897	10,249
Provisions	38	9,013	10,218
Deferred tax liabilities	28	70	128
Other liabilities	39	74,424	72,961
Total liabilities		9,493,041	9,283,398

Consolidated Interim Statement of Financial Position
As at 30 June 2026 (continued)

(Amounts in millions of Renminbi unless otherwise stated)

	Note	*30 June 2026 Unaudited*	*31 December 2025 Audited*
Equity			
Share capital	40	55,645	55,645
Other equity instruments	41	124,955	104,948
Capital reserve	42	95,559	95,566
Other comprehensive income	43	1,579	3,007
Surplus reserve	44	74,099	74,099
General reserve	45	120,515	120,314
Retained earnings	46	399,405	375,234
Total equity attributable to equity holders of the Bank		871,757	828,813
Non-controlling interests	47	19,041	18,817
Total equity		890,798	847,630
Total liabilities and equity		10,383,839	10,131,028

The accompanying notes form an integral part of these consolidated interim financial statements.

Approved and recognized for issue by the board of directors on 26 August 2026.

Fang Heying
Chairman, Executive Director

Lv Tiangui
Executive Director,
President (In charge of finance and accounting of the Bank),
Chief Compliance Officer

Kang Chao
Head of the Finance and Accounting Department

Company stamp

Consolidated Interim Statement of Changes in Equity
For the six months ended 30 June 2026
(Amounts in millions of Renminbi unless otherwise stated)

		Equity attributable to equity holders of the Bank							Non-controlling interests		
	Note	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	General reserve	Retained earnings	Ordinary shareholders in subsidiaries	Other equity instruments holders	Total equity
Unaudited											
As at 31 December 2025		55,645	104,948	95,566	3,007	74,099	120,314	375,234	11,127	7,690	847,630
Impact of accounting policy changes		-	-	-	-	-	-	(84)	(28)	-	(112)
As at 1 January 2026		55,645	104,948	95,566	3,007	74,099	120,314	375,150	11,099	7,690	847,518
(i) Profit for the period		-	-	-	-	-	-	37,602	411	166	38,179
(ii) Other comprehensive income	12	-	-	-	(1,428)	-	-	-	(159)	-	(1,587)
Total comprehensive income		-	-	-	(1,428)	-	-	37,602	252	166	36,592
(iii) Investor capital											
- Issuance of perpetual bonds	41	-	60,000	(7)	-	-	-	-	-	-	59,993
- Redemption of perpetual bonds	41	-	(39,993)	-	-	-	-	-	-	-	(39,993)
(iv) Profit appropriations											
- Appropriations to general reserve	45	-	-	-	-	-	201	(201)	-	-	-
- Dividend distribution to ordinary shareholders of the Bank	46	-	-	-	-	-	-	(10,740)	-	-	(10,740)
- Interest paid to holders of perpetual bonds	46	-	-	-	-	-	-	(2,406)	-	(166)	(2,572)
As at 30 June 2026		55,645	124,955	95,559	1,579	74,099	120,515	399,405	11,351	7,690	890,798

Consolidated Interim Statement of Changes in Equity (continued)
For the six months ended 30 June 2025
(Amounts in millions of Renminbi unless otherwise stated)

		Equity attributable to equity holders of the Bank							Non-controlling interests		
	Note	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	General reserve	Retained earnings	Ordinary shareholders in subsidiaries	Other equity instruments holders	Total equity
Unaudited											
As at 1 January 2025		54,397	105,499	89,286	16,862	67,629	111,723	343,868	10,411	7,690	807,365
(i) Profit for the period		-	-	-	-	-	-	36,478	422	174	37,074
(ii) Other comprehensive income		-	-	-	(6,430)	-	-	-	141	-	(6,289)
Total comprehensive income		-	-	-	(6,430)	-	-	36,478	563	174	30,785
(iii) Investor capital											
- Capital injection by issuing convertible corporate bonds		1,248	(551)	6,280	-	-	-	-	-	-	6,977
(iv) Profit appropriations											
- Appropriations to general reserve		-	-	-	-	-	172	(172)	-	-	-
- Dividend distribution to ordinary shareholders of the Bank		-	-	-	-	-	-	(9,582)	-	-	(9,582)
- Interest paid to holders of perpetual bonds		-	-	-	-	-	-	(2,406)	-	(174)	(2,580)
As at 30 June 2025		55,645	104,948	95,566	10,432	67,629	111,895	368,186	10,974	7,690	832,965

Consolidated Interim Statement of Changes in Equity (continued)
For the year ended 31 December 2025

(Amounts in millions of Renminbi unless otherwise stated)

		Equity attributable to equity holders of the Bank							*Non-controlling interests*		
	Note	*Share capital*	*Other equity instruments*	*Capital reserve*	*Other comprehensive income*	*Surplus reserve*	*General reserve*	*Retained earnings*	*Ordinary shareholders in subsidiaries*	*Other equity instruments holders*	*Total equity*
Audited											
As at 1 January 2025		54,397	105,499	89,286	16,862	67,629	111,723	343,868	10,411	7,690	807,365
(i) Net profit		-	-	-	-	-	-	70,618	526	346	71,490
(ii) Other comprehensive income	12	-	-	-	(14,169)	-	-	-	190	-	(13,979)
Total comprehensive income		-	-	-	(14,169)	-	-	70,618	716	346	57,511
(iii) Investor capital											
- Conversion of convertible corporate bonds to equity		1,248	(551)	6,280	-	-	-	-	-	-	6,977
(iv) Profit appropriations											
- Appropriations to surplus reserve	44	-	-	-	-	6,470	-	(6,470)	-	-	-
- Appropriations to general reserve	45	-	-	-	-	-	8,591	(8,591)	-	-	-
- Dividend distribution to ordinary shareholders of the Bank	46	-	-	-	-	-	-	(20,043)	-	-	(20,043)
- Dividend distribution to preference shareholders	46	-	-	-	-	-	-	(1,428)	-	-	(1,428)
- Interest paid to holders of perpetual bonds	46	-	-	-	-	-	-	(2,406)	-	(346)	(2,752)
(v) Transfers within the owners' equity											
- Other comprehensive income transferred to retained earnings		-	-	-	314	-	-	(314)	-	-	-
As at 31 December 2025		55,645	104,948	95,566	3,007	74,099	120,314	375,234	11,127	7,690	847,630

The accompanying notes form an integral part of these consolidated interim financial statements.

Consolidated Interim Statement of Cash Flows
For the six months ended 30 June 2026
(Amounts in millions of Renminbi unless otherwise stated)

	Six months ended 30 June	
	2026 Unaudited	2025 Unaudited
Operating activities		
Profit before tax	46,879	46,622
Adjustments for:		
- revaluation (gains)/losses on investments, derivatives and investment properties	(99)	270
- investment gains	(11,088)	(11,541)
- net gains of property, plant and equipment, intangible assets and other assets	(61)	(18)
- unrealised foreign exchange losses	1,939	2,278
- credit impairment losses	33,465	29,570
- impairment (reversals) / losses on other assets	(1)	16
- depreciation and amortization	2,301	2,220
- interest expense on debt securities issued	9,737	13,597
- dividend income from equity investment	(8)	(112)
- depreciation of right-of-use assets and interest expense on lease liabilities	1,586	1,734
- income tax paid	(7,661)	(9,975)
Subtotal	76,989	74,661

Consolidated Interim Statement of Cash Flows
For the six months ended 30 June 2026 (continued)
(Amounts in millions of Renminbi unless otherwise stated)

	Six months ended 30 June	
	2026	*2025*
	Unaudited	*Unaudited*
Changes in operating assets and liabilities:		
(Increase)/Decrease in balances with central banks	(22,083)	26,448
Decrease in deposits with banks and non-bank financial institutions	8,736	7,638
Decrease/(Increase) in placements with and loans to banks and non-bank financial institutions	33,846	(106,441)
Increase in financial assets at fair value through profit or loss	(46,443)	(14,588)
Decrease in financial assets held under resale agreements	53,453	23,343
Increase in loans and advances to customers	(185,624)	(112,381)
Increase in borrowings from central banks	13,974	7,426
Increase/(Decrease) in deposits from banks and non-bank financial institutions	289,062	(262,064)
(Decrease)/Increase in placements from banks and non-bank financial institutions	(5,949)	18,409
Increase in financial liabilities at fair value through profit or loss	7,366	671
(Decrease)/Increase in financial assets sold under repurchase agreements	(176,802)	69,373
Increase in deposits from customers	251,816	339,087
Increase in other operating assets	(43,344)	(52,397)
(Decrease)/Increase in other operating liabilities	(24,009)	9,466
Subtotal	153,999	(46,010)
Net cash flows from operating activities	230,988	28,651

Consolidated Interim Statement of Cash Flows
For the six months ended 30 June 2026 (continued)

(Amounts in millions of Renminbi unless otherwise stated)

	Six months ended 30 June	
	2026	2025
	Unaudited	Unaudited
Investing activities		
Proceeds from disposal and redemption of investments	4,018,005	2,999,991
Cash received from equity investment income	197	626
Proceeds from disposal of property, plant and equipment, land use rights, and other assets	183	56
Payments on acquisition of investments	(4,057,521)	(3,147,722)
Payments on acquisition of property, plant and equipment, land use rights and other assets	(11,995)	(24,090)
Payments on acquisition of associates	(981)	-
Net cash flows used in investing activities	(52,112)	(171,139)
Financing activities		
Cash received from debt securities issued	756,957	834,370
Cash received from issuing other equity instruments	60,000	-
Cash paid for redemption of other equity instruments	(39,993)	-
Cash paid for redemption of debt securities issued	(881,065)	(676,104)
Interest paid on debt securities issued	(10,361)	(12,300)
Cash paid for dividends	(11,924)	(5,102)
Cash paid in connection with other financing activities	(1,363)	(1,490)
Net cash flows (used in)/from financing activities	(127,749)	139,374

Consolidated Interim Statement of Cash Flows
For the six months ended 30 June 2026 (continued)

(Amounts in millions of Renminbi unless otherwise stated)

	Note	Six months ended 30 June 2026 Unaudited	Six months ended 30 June 2025 Unaudited
Increase/(Decrease) in cash and cash equivalents		51,127	(3,114)
Cash and cash equivalents as at 1 January		332,412	262,779
Effect of exchange rate changes on cash and cash equivalents		(4,163)	(3,001)
Cash and cash equivalents as at 30 June	48	379,376	256,664
Cash flows from operating activities include:			
Interest received		137,881	145,801
Interest paid		(69,822)	(61,271)

The accompanying notes form an integral part of these consolidated interim financial statements.

Notes to the Unaudited Consolidated Interim Financial Statements For the six months ended 30 June 2026

(Amounts in millions of Renminbi unless otherwise stated)

1 Corporate information

China CITIC Bank Corporation Limited (the “Bank” or “CNCB”) is a joint stock company incorporated in the People’s Republic of China (the “PRC” or “Mainland China”) on 31 December 2006. Headquartered in Beijing, the Bank’s registered office is located at 6-30F and 32-42F No.10 Guanghua Road, Chaoyang District, Beijing, China. The Bank listed its A shares and H shares on the Shanghai Stock Exchange and the Main Board of The Stock Exchange of Hong Kong Limited, respectively on 27 April 2007.

The Bank operates under financial services certificate No. B0006H111000001 issued by the National Financial Regulatory Administration (the former “China Banking and Insurance Regulatory Commission”, the “NFRA”), and unified social credit code No. 91110000101690725E issued by the State Administration of Industry and Commerce of the PRC.

The principal activities of the Bank and its subsidiaries (collectively the “Group”) are the provision of corporate and personal banking services, conducting treasury business, the provision of asset management, financial leasing, wealth management, market-based debt to equity swaps and equity investment services and other non-banking financial services.

As at 30 June 2026, the Group mainly operates in Mainland China with branches covering 31 provinces, autonomous regions and municipalities, and overseas. In addition, the Bank’s subsidiaries have operations in Mainland China, the Hong Kong Special Administrative Region of PRC (“Hong Kong”), the Macau Special Administrative Region of the PRC (“Macau”) and other overseas countries and regions.

For the purpose of these consolidated interim financial statements, Mainland China refers to the PRC excluding Hong Kong, Macau and Taiwan. Overseas refers to countries and regions other than Mainland China.

The consolidated interim financial statements were approved by the Board of Directors of the Bank on 26 August 2026.

2 Basis of preparation

The consolidated interim financial statements for the six months ended 30 June 2026 have been prepared in accordance with IAS 34 Interim Financial Reporting, as well as with all applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

3 Principal accounting policies

The consolidated interim financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value. Except for those mentioned below, the accounting policies and methods of computation used in preparing the consolidated interim financial statements are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025.

The consolidated interim financial statements should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025, which have been audited.

(a) Standards and amendments effective in 2026 relevant to and adopted by the Group

In the current reporting period, the Group has adopted the following IFRS Accounting Standards and amendments issued by the International Accounting Standards Board ("IASB"), that are mandatorily effective for the current reporting period.

Effective date	*New accounting standards or amendments*
1 January 2026	Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7
1 January 2026	Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7
1 January 2026	Annual Improvements to IFRS Accounting Standards – Volume 11

In the current reporting period, the Group implemented the amendments to IFRS 9 and IFRS 7 issued by the International Accounting Standards Board(IASB).

For the assessment of whether a financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, the amendments introduce an additional test for financial assets with contingent features, for example environmental, social or governance ("ESG")-linked features (the interest rate on a loan is adjusted by a specified amount if the debtor achieves a contractually specified reduction in carbon emissions).

In certain cases, a contingent feature gives rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs. For example, the interest rate on a loan is adjusted by a specified amount if the debtor achieves a contractually specified reduction in carbon emissions. In such a case, when applying paragraph IFRS 9.B4.1.10, the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if, in all contractually possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.

The Group has applied these amendments since January 1, 2026. For loans with ESG-linked features that meet the additional test, the Group has reclassified them out of the fair value through profit or loss measurement category and into the amortised cost measurement category.

The Group has applied these amendments retrospectively in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. As permitted by the transition requirements, the Group has not restated prior periods. Instead, the effects of initially applying these amendments have been recognized as adjustments to the opening balances of financial assets and financial liabilities and the cumulative effect as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) as of January 1, 2026. The specific adjustments are presented in the table below:

	The Group		
	Carrying amount before adjustment	Adjust amount	Carrying amount after adjustment
Assets			
Loans and advances to customers	5,746,871	(133)	5,746,738
- Loans and advances to customers at amortised cost	5,412,387	14,775	5,427,162
- Loans and advances to customers at fair value through other comprehensive income	319,217	-	319,217
- Loans and advances to customers at fair value through profit or loss	15,267	(14,908)	359
Deferred tax assets	54,670	8	54,678
Gross balance		(125)	
Liabilities			
Taxes payable	4,642	(13)	4,629
Gross balance		(13)	
Equity			
Retained earnings	375,234	(84)	375,150
Non-controlling interests	18,817	(28)	18,789
Gross balance		(112)	

(b) *Standards and amendments relevant to the Group that are not yet effective and have not been adopted before their effective dates in 2026*

Effective date	*New accounting standards or amendments*
1 January 2027	IFRS 18 Presentation and Disclosure in Financial Statements
1 January 2027	IFRS 19 Subsidiaries without Public Accountability: Disclosures
1 January 2027	Amendments to IAS 21 Translation to a Hyperinflationary Presentation Currency
1 January 2027	Amendments to IAS 28 Fair value option
1 January 2029	IFRS 20 Regulatory Assets and Regulatory Liabilities
Available for optional adoption/effective date deferred indefinitely	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28

4 Net interest income

	Six months ended 30 June	
	2026	*2025*
Interest income arising from (Note (i)):		
Deposits with central banks	2,567	2,771
Deposits with banks and non-bank financial institutions	492	966
Placements with and loans to banks and non-bank financial institutions	4,451	5,676
Financial assets held under resale agreements	690	609
Loans and advances to customers		
- corporate loans	54,862	56,826
- personal loans	44,453	50,006
- discounted bills	792	1,790
Financial investments		
- at amortised cost	14,575	15,036
- at fair value through other comprehensive income	11,435	11,412
Others	31	30
Subtotal	134,348	145,122
Interest expense arising from:		
Borrowings from central banks	(1,799)	(1,104)
Deposits from banks and non-bank financial institutions	(7,757)	(6,459)
Placements from banks and non-bank financial institutions	(1,731)	(1,341)
Financial assets sold under repurchase agreements	(2,980)	(2,935)
Deposits from customers	(36,973)	(48,244)
Debt securities issued	(9,737)	(13,597)
Lease liabilities	(175)	(224)
Others	(47)	(17)
Subtotal	(61,199)	(73,921)
Net interest income	73,149	71,201

Note:

(i) Interest income includes interest income accrued on credit-impaired financial assets of RMB176 million for the six months ended 30 June 2026 (Six months ended 30 June 2025: RMB258 million).

5 Net fee and commission income

	Six months ended 30 June	
	2026	*2025*
Fee and commission income:		
Bank card fees	6,427	6,973
Agency fees and commission (Note (i))	4,075	3,095
Wealth management business fees	3,011	3,201
Guarantee and advisory fees	2,473	2,786
Commission for custodian business and other fiduciary	2,019	1,909
Settlement and clearance fees	1,380	1,511
Others	161	88
Total	19,546	19,563
Fee and commission expense	(2,316)	(2,739)
Net fee and commission income	17,230	16,824

Note:

(i) Agency fees and commission represent fees earned from selling bonds, investment funds and insurance products, and provision of entrusted lending activities, etc.

6 Net trading gain

	Six months ended 30 June	
	2026	*2025*
Debt securities and certificates of interbank deposit	1,537	1,536
Foreign currencies	2,869	3,593
Derivatives and related exposures	(2,627)	(2,067)
Net gain on precious metals	936	542
Total	2,715	3,604

7 Net gain from investment securities

	Six months ended 30 June	
	2026	*2025*
Financial investments		
- at fair value through profit or loss	7,169	5,687
- at amortised cost	1,920	1,987
- at fair value through other comprehensive income	3,143	4,135
- Investments in equity instruments designated at fair value through other comprehensive income	25	24
Net gain from bills rediscounting	690	440
Proceeds from the resale of forfaiting	189	351
Others	4	294
Total	13,140	12,918

8 Other operating income

During the six months ended 30 June 2026, the group's other operating income mainly includes operating lease income of RMB 2,439 million.

9 Operating expenses

	Six months ended 30 June	
	2026	2025
Staff costs		
- salaries and bonuses	11,180	10,864
- social insurance	1,116	1,407
- welfare expenses	566	577
- housing fund	1,129	1,117
- labor union expenses and employee education expenses	255	300
- post-employment benefits – defined contribution plans	2,362	2,329
- other benefits	221	226
Subtotal	16,829	16,820
Property and equipment related expenses		
- depreciation of right-of-use assets	1,411	1,510
- depreciation of property, plant and equipment	1,506	1,582
- rent and property management expenses	404	468
- maintenance	584	926
- amortisation expenses	795	638
- electronic equipment operating expenses	154	157
- others	179	193
Subtotal	5,033	5,474
Tax and surcharges	1,077	1,116
Other general operating and administrative expenses	7,331	6,625
Total	30,270	30,035

10 Credit impairment losses

	Six months ended 30 June	
	2026	2025
Credit impairment losses		
Impairment (reversals) / losses of deposits with banks and non-bank financial institutions	(8)	8
Impairment (reversals) / losses of placements with and loans to banks and non-bank financial institutions	(2)	51
Impairment (reversals) / losses of financial assets held under resale agreements	(26)	-
Impairment losses of loans and advances to customers	30,940	25,466
Impairment losses / (reversals) of financial investments		
- at amortised cost	838	(73)
- at fair value through other comprehensive income	(240)	(8)
Impairment losses of other financial assets and accrued interest	3,196	3,433
Impairment (reversals) / losses of off-balance sheet items	(1,233)	693
Total	33,465	29,570

11 Income tax

(a) Recognized in the consolidated interim statement of profit and loss and other comprehensive income

	Note	Six months ended 30 June 2026	Six months ended 30 June 2025
Current tax			
- Mainland China		6,624	8,023
- Hong Kong		394	329
- Overseas		42	48
Deferred tax	28(c)	1,640	1,148
Income tax		8,700	9,548

Mainland China income tax have been provided at the rate of 25%. HongKong and Overseas tax has been provided at the rates of tax at prevailing in the regions in which the Group operates respectively.

(b) Reconciliation between income tax expense and accounting profit

	Note	Six months ended 30 June 2026	Six months ended 30 June 2025
Profit before tax		46,879	46,622
Income tax calculated at PRC statutory tax rate		11,720	11,656
Effect of different tax rates in other regions		(188)	(243)
Tax effect of non-deductible expenses		2,242	3,351
Tax effect of non-taxable income	(i)	(5,074)	(5,216)
Income tax		8,700	9,548

Note:

(i) Non-taxable income primarily represent tax effect from interest income arising from PRC government bonds and local government bonds and dividend income from investment funds.

12 Other comprehensive income, net of tax

	Six months ended 30 June	
	2026	*2025*
Items that will not be reclassified subsequently to profit or loss		
Fair value changes on financial asset designated at fair value through other comprehensive income, net of tax		
- net changes during the period before tax	(82)	(35)
- income tax	20	11
Subtotal	(62)	(24)
Items that may be reclassified subsequently to profit or loss		
Other comprehensive income transferable to profit or loss under equity method		
- net changes during the period before tax	7	(52)
Fair value changes on financial assets at fair value through other comprehensive income, net of tax (Note (i))		
- net changes during the period before tax	4,613	(1,568)
- net amount transferred to profit or loss	(3,101)	(4,338)
- Income tax	(479)	1,548
Credit impairment allowance on financial assets at fair value through other comprehensive income (Note (ii))		
- net changes during the period before tax	(549)	(181)
- Income tax	138	32
Exchange differences on translation of financial statements	(2,154)	(1,706)
Subtotal	(1,525)	(6,265)
Other comprehensive income, net of tax	(1,587)	(6,289)

12 Other comprehensive income, net of tax (continued)

Notes:

(i) Fair value changes on financial assets at fair value through other comprehensive income include those of financial investments and loans and advances to customers at fair value through other comprehensive income.

(ii) Credit impairment allowance include financial investments and loans and advances to customers at fair value through other comprehensive income.

13 Earnings per share

Earnings per share information for the six months ended 30 June 2026 and 2025 is computed by dividing the profit for the period attributable to ordinary shareholders of the Bank by the weighted average number of shares in issue during the period.

The Bank issued non-cumulative preference shares in 2016 under the terms and conditions as detailed in Note 41(i). No cash dividend on preference shares was declared during the six months ended 30 June 2026.

The Bank issued RMB40 billion write-down undated capital bonds in 2021, with terms and conditions disclosed in detail in Note 41(ii) under perpetual Bonds. The Bank declared and paid RMB 1,680 million in interests on the perpetual bonds in 2026.

The Bank issued RMB 30 billion write-down undated capital bonds in 2024, with terms and conditions disclosed in detail in Note 41(ii) under perpetual Bonds. The Bank declared and paid RMB 726 million in interests on the perpetual bonds in 2026.

The conversion feature of preference shares is considered to fall within contingently issuable ordinary shares. The triggering events of conversion did not occur as at 30 June 2026, therefore the conversion feature of preference shares has no effect on the basic and diluted earnings per share calculation.

The diluted earnings per share are calculated on the effect of convertible bonds being dilutive potential ordinary share, by dividing the net profit for the period attributable to ordinary shareholders of the Bank after adjustments for the period, by the adjusted weighted average number of outstanding ordinary shares for the period.

13 Earnings per share (continued)

	Six months ended 30 June 2026	2025
Profit for the period attributable to equity holders of the Bank	37,602	36,478
Less: Equity attributable to holders of other equity instruments of the Bank	2,406	2,406
Profit for the period attributable to ordinary shareholders of the Bank	35,196	34,072
Weighted average number of shares (in million shares)	55,645	55,259
Basic earnings per share (in RMB)	0.63	0.62
Diluted earnings per share (in RMB)	0.63	0.61

14 Cash and balances with central banks

	Notes	30 June 2026	31 December 2025
Cash		4,147	4,483
Balances with central banks			
- statutory deposit reserve funds	(i)	311,533	297,880
- surplus deposit reserve funds	(ii)	190,987	75,775
- fiscal deposits	(iii)	14,872	3,987
- foreign exchange reserve	(iv)	1,785	4,645
Accrued interest		142	146
Total		523,466	386,916

Notes:

(i) The Group places statutory deposit reserve funds with the People's Bank of China ("PBOC") and overseas central banks where it has operations. The statutory deposit reserve funds are not available for use in the Group's daily business.

As at 30 June 2026, the statutory deposit reserve funds placed with the PBOC was calculated at 5.5% (31 December 2025: 5.5%) of eligible Renminbi deposits for domestic branches of the Bank. The Bank was also required to deposit an amount equivalent to 4% (31 December 2025: 4%) of its foreign currency deposits from domestic branch customers as statutory deposit reserve funds.

As at 30 June 2026, the statutory RMB deposit reserve rates applicable to Zhejiang Lin'an CITIC Rural Bank Corporation Limited ("Lin'an Rural Bank"), a subsidiary of the Group, was at 5% (31 December 2025: 5.5%).

14 Cash and balances with central banks (continued)

The amounts of statutory deposit reserves funds placed with the central banks of overseas countries are determined by respective jurisdictions. The statutory deposit reserve funds are interest-bearing except for the foreign currency reserve funds deposits placed with the PBOC.

(ii) The surplus deposit reserve funds are maintained with the PBOC for the purposes of clearing.

(iii) Fiscal deposits placed with the PBOC are not available for use in the Group's daily operations, and are non-interest bearing (except for regulations provided by the local People's Bank).

(iv) The foreign exchange reserve is maintained with the PBOC in accordance with the related notice issued by the PBOC. The reserve is provided as of 20% of customer-driven foreign exchange forward transactions volume on a monthly basis. Such foreign exchange reserve is non-interest bearing and will be repayable in 12 months according to the Notice.

15 Deposits with banks and non-bank financial institutions

(a) Analysed by types and locations of counterparties

	Note	*30 June 2026*	*31 December 2025*
In Mainland China			
- banks		40,613	83,344
- non-bank financial institutions		15,575	15,879
Subtotal		56,188	99,223
Outside Mainland China			
- banks		24,801	40,569
- non-bank financial institutions		1,321	1,256
Subtotal		26,122	41,825
Accrued interest		170	209
Gross balance		82,480	141,257
Less: Allowances for impairment losses	30	(52)	(60)
Net balance		82,428	141,197

15 Deposits with banks and non-bank financial institutions (continued)

(b) Analysed by remaining maturity

	Note	*30 June 2026*	*31 December 2025*
Demand deposits (Note (i))		74,765	117,057
Time deposits with remaining maturity			
- within one month		4,850	12,500
- between one month and one year		2,695	11,491
Subtotal		82,310	141,048
Accrued interest		170	209
Gross balance		82,480	141,257
Less: Allowances for impairment losses	30	(52)	(60)
Net balance		82,428	141,197

Note:

(i) As at 30 June 2026, within the demand deposits there were pledged deposits of RMB 1,071 million (as at 31 December 2025: RMB 1,198 million). These deposits were mainly maintenance margins with a regulatory body.

16 Placements with and loans to banks and non-bank financial institutions

(a) Analysed by types and locations of counterparties

	Note	*30 June 2026*	*31 December 2025*
In Mainland China			
- banks (Note (i))		50,506	28,227
- non-bank financial institutions		310,595	339,700
Subtotal		361,101	367,927
Outside Mainland China			
- banks		58,676	76,680
Subtotal		58,676	76,680
Accrued interest		1,262	1,691
Gross balance		421,039	446,298
Less: Allowances for impairment losses	30	(197)	(200)
Net balance		420,842	446,098

Note:

(i) The leased gold between Banks is included in the Placements with and loans to banks and non-bank financial institutions, measured at fair value through profit or loss. As at 30 June 2026, the carrying amount of leased gold was RMB 9,434 million (as at 31 December 2025: RMB 15,802 million).

(b) Analysed by remaining maturity

	Note	*30 June 2026*	*31 December 2025*
Within one month		92,317	90,657
Between one month and one year		275,183	292,056
Over one year		52,277	61,894
Accrued interest		1,262	1,691
Gross balance		421,039	446,298
Less: Allowances for impairment losses	30	(197)	(200)
Net balance		420,842	446,098

17 Derivative financial assets/liabilities

Derivatives include forward, swap and option transactions undertaken by the Group in foreign exchange, interest rate, and precious metals derivatives related to trading, asset and liability management and customer-initiated transactions. The Group, through the operations of its branch network, acts as an intermediary for a wide range of customers for structuring deals to offer risk management solutions to match individual customer needs. These positions are actively managed through hedging transactions with external parties to ensure the Group's net exposures are within acceptable risk levels. The Group also uses these derivatives for proprietary trading purposes and to manage its own asset and liability and structural positions. Derivatives are held for trading. Derivatives classified as held for trading are for trading and customer-initiated transactions purpose, and those for risk management purposes do not meet the criteria for hedge accounting.

The contractual/notional amounts of derivatives provide a basis for comparison with fair values of derivatives recognized on the consolidated interim statement of financial position but do not necessarily indicate the amounts of future cash flows involved or the current fair values of the derivatives and, therefore, do not indicate the Group's exposure to credit or market risks.

	30 June 2026			*31 December 2025*		
	Nominal amount	*Assets*	*Liabilities*	*Nominal amount*	*Assets*	*Liabilities*
Hedging instruments						
- interest rate derivatives	14,958	63	147	7,081	89	51
Non-Hedging instruments						
- interest rate derivatives	5,999,321	12,399	12,372	5,908,432	11,997	11,988
- currency derivatives	4,298,776	31,017	29,848	5,132,521	28,125	25,356
- precious metal derivatives	150,082	8,287	7,667	79,845	815	6,969
- credit derivatives	88	-	-	70	-	-
Total	10,463,225	51,766	50,034	11,127,949	41,026	44,364

(a) Nominal amount analysed by remaining maturity

	30 June 2026	*31 December 2025*
Within three months	3,615,795	4,516,783
Between three months and one year	4,159,428	4,044,364
Between one year and five years	2,658,320	2,544,155
Over five years	29,682	22,647
Total	10,463,225	11,127,949

(b) Credit risk weighted amounts

The credit risk weighted amount has been computed in accordance with "Regulation Governing Capital of Commercial Banks" promulgated by the National Administration of Financial Regulation in the year of 2023, and depends on the status of the counterparties and the maturity characteristics of the instruments, including those customer-driven back-to-back transactions. As at 30 June 2026, the total amount of credit risk weighted amount for counterparty was RMB 24,062 million (31 December 2025: RMB 21,630 million).

18 Financial assets held under resale agreements

(a) Analysed by types and locations of counterparties

	Note	30 June 2026	31 December 2025
In Mainland China			
- banks		82,704	117,320
- non-bank financial institutions		24,181	51,125
Subtotal		106,885	168,445
Outside Mainland China			
- banks		271	82
- non-bank financial institutions		6,314	1,234
Subtotal		6,585	1,316
Accrued interest		17	22
Gross balance		113,487	169,783
Less: Allowance for impairment losses	30	(117)	(143)
Net balance		113,370	169,640

(b) Analysed by types of collateral

	Note	30 June 2026	31 December 2025
Debt securities		113,470	162,139
Discounted bilis		-	7,622
Subtotal		113,470	169,761
Accrued interest		17	22
Gross balance		113,487	169,783
Less: Allowance for impairment losses	30	(117)	(143)
Net balance		113,370	169,640

18 Financial assets held under resale agreements (continued)

(c) Analysed by remaining maturity

	Note	30 June 2026	31 December 2025
Within one month		113,470	169,761
Accrued interest		17	22
Gross balance		113,487	169,783
Less: Allowance for impairment losses	30	(117)	(143)
Net balance		113,370	169,640

(d) As at at 30 June 2026, financial assets held under resale agreements measured at fair value through profit or loss of the Group amounted to RMB 6,892 million (As at 31 December 2025: RMB 1,316 million).

19 Loans and advances to customers

(a) Analysed by nature

	Note	30 June 2026	31 December 2025
Loans and advances to customers at amortised cost			
Corporate loans and advances			
- loans		3,289,168	3,110,067
- discounted bills		993	1,267
- finance lease receivables		54,789	49,915
Subtotal		3,344,950	3,161,249
Personal loans and advances			
- residential mortgages		1,124,978	1,123,729
- business loans		491,222	488,061
- credit cards		453,851	463,091
- personal consumption		248,740	281,777
- finance lease receivables		11,507	9,781
Subtotal		2,330,298	2,366,439
Accrued interest		23,860	23,887
Gross balance		5,699,108	5,551,575
Less: Allowances impairment losses on loans	30		
- principal		(139,797)	(136,338)
- interest		(2,354)	(2,850)
Loans and advances to customers at amortised cost, net		5,556,957	5,412,387
Loans and advances to customers at fair value through other comprehensive income			
- loans		163,846	118,315
- discounted bills		169,196	200,902
Carrying amount of loans and advances at fair value through other comprehensive income		333,042	319,217
- fair value changes through other comprehensive income		35	1
Carrying amount of loans and advances to customers at fair value through profit or loss		351	15,267
Total		5,890,350	5,746,871
Allowances for impairment losses on loans and advances to customers at fair value through other comprehensive income	30	(245)	(518)

19 Loans and advances to customers (continued)

(b) Analysed by assessment method of allowance for impairment losses

	30 June 2026			
	Stage one	*Stage two*	*Stage three (Note (i))*	*Total*
Gross loans and advances to customers at amortised costs	5,479,098	127,204	68,946	5,675,248
Accrued interest	16,013	7,463	384	23,860
Less: Allowance for impairment losses	(64,463)	(31,752)	(45,936)	(142,151)
Carrying amount of loans and advances to customers measured at amortised cost	5,430,648	102,915	23,394	5,556,957
Carrying amount of loans and advances to customers at fair value through other comprehensive income	333,029	13	-	333,042
Total carrying amount of loans and advances to customers affected by credit risk	5,763,677	102,928	23,394	5,889,999
Allowance for impairment losses on loans and advances to customers at fair value through other comprehensive income	(245)	-	-	(245)

	31 December 2025			
	Stage one	*Stage two*	*Stage three (Note (i))*	*Total*
Gross loans and advances to customers at amortised costs	5,332,552	127,834	67,302	5,527,688
Accrued interest	16,568	6,243	1,076	23,887
Less: Allowance for impairment losses	(63,168)	(27,671)	(48,349)	(139,188)
Carrying amount of loans and advances to customers measured at amortised cost	5,285,952	106,406	20,029	5,412,387
Carrying amount of loans and advances to customers at fair value through other comprehensive income	318,958	259	-	319,217
Total carrying amount of loans and advances to customers affected by credit risk	5,604,910	106,665	20,029	5,731,604
Allowance for impairment losses on loans and advances to customers at fair value through other comprehensive income	(516)	(2)	-	(518)

19 Loans and advances to customers (continued)

Note:

(i) Stage 3 loans are loans and advances to customers that have incurred credit impairment.

	30 June 2026	*31 December 2025*
Secured portion	38,913	36,755
Unsecured portion	30,033	30,547
Gross balance	68,946	67,302
Allowance for impairment losses	(45,936)	(48,349)

As at 30 June 2026, the maximum exposure covered by pledge and collateral held on secured portion is RMB34,597 million (as at 31 December 2025: RMB33,369 million).

The fair value of collateral was estimated by management based on the latest revaluation including available external valuation, if any, adjusted by taking into account the current realisation experience as well as market situation.

(c) Overdue loans analysed by overdue period

	30 June 2026				
	Overdue within three months	*Overdue between three months and one year*	*Overdue between one year and three years*	*Overdue over three years*	*Total*
Unsecured loans	17,912	10,834	3,403	1,358	33,507
Guaranteed loans	2,358	2,877	4,586	1,075	10,896
Loans with pledged assets					
- loans secured by collateral	14,177	15,812	9,377	3,225	42,591
- pledged loans	2,592	5,804	2,218	501	11,115
Total	37,039	35,327	19,584	6,159	98,109

	31 December 2025				
	Overdue within three months	*Overdue between three months and one year*	*Overdue between one year and three years*	*Overdue over three years*	*Total*
Unsecured loans	16,975	11,037	2,101	1,411	31,524
Guaranteed loans	1,830	3,257	3,350	2,585	11,022
Loans with pledged assets					
- loans secured by collateral	12,197	11,737	9,138	2,341	35,413
- pledged loans	2,134	1,056	2,270	179	5,639
Total	33,136	27,087	16,859	6,516	83,598

Overdue loans represent loans of which the principal or interest are overdue one day or more.

19 Loans and advances to customers (continued)

(d) Finance lease receivables

Finance lease receivables are attributable to the Group's subsidiaries, CITIC Financial Leasing Limited ("CFLL") and CITIC International Finance Holdings Limited ("CIFH"), include net investment in machines and equipment leased to customers under finance lease and hire purchase contracts which have the characteristics of finance leases. The remaining period of these contracts range from 1 to 25 years. The total finance lease receivables under finance lease and hire purchase contracts and their present values are as follows:

	30 June 2026	*31 December 2025*
Within one year (including one year)	13,632	14,432
One year to two years (including two years)	11,536	11,518
Two years to three years (including three years)	9,162	8,118
Over three years	32,317	25,987
Gross balance	66,647	60,055
Less: Allowance for impairment losses		
- stage one	(1,065)	(502)
- stage two	(423)	(412)
- stage three	(229)	(157)
Net balance	64,930	58,984

20 Financial investments

(a) Analysed by types

	Note	30 June 2026	31 December 2025
Financial assets at fair value through profit or loss			
Investment funds		450,274	421,314
Debt securities		206,432	210,844
Certificates of deposit and interbank certificates of deposit		35,363	18,375
Equity instruments		24,522	19,885
Trust investment plans		5,117	5,467
Wealth management products and others		3,334	2,893
Net balance		725,042	678,778
Financial assets at amortised cost			
Debt securities		1,174,545	1,119,632
Trust investment plans		181,123	177,036
Investment management products managed by securities companies		22,543	27,092
Certificates of deposit and interbank certificates of deposit		1,240	1,048
Subtotal		1,379,451	1,324,808
Accrued interest		14,668	13,056
Less: Allowance for impairment losses	30	(25,901)	(24,964)
- principles		(25,551)	(24,623)
- accrued interest		(350)	(341)
Net balance		1,368,218	1,312,900

20 Financial investments (continued)

	Note	*30 June 2026*	*31 December 2025*
Financial assets at fair value through other comprehensive income (Note (i))			
Debt securities		897,120	906,867
Certificates of deposit and interbank certificates of deposit		14,608	13,529
Subtotal		911,728	920,396
Accrued interest		5,354	6,517
Net balance		917,082	926,913
Financial assets designated at fair value through other comprehensive income (Note (ii))		8,148	8,234
Total		3,018,490	2,926,825
Allowances for impairment losses on financial investments at fair value through other comprehensive income	30	(2,499)	(2,799)

20 Financial investments (continued)

Notes:

(i) Financial investments at fair value through other comprehensive income

	Note	30 June 2026	31 December 2025
Costs/Amortised cost		910,950	921,294
Accumulated fair value change in other comprehensive income		778	(898)
Fair value		911,728	920,396
Allowance for impairment losses	30	(2,499)	(2,799)

(ii) Financial investments designated at fair value through other comprehensive income

	30 June 2026		
	Costs	Fair value	Accumulated fair value change in other comprehensive income
Listed	8	217	209
Unlisted	8,877	7,931	(946)
Total	8,885	8,148	(737)

	31 December 2025		
	Costs	Fair value	Accumulated fair value change in other comprehensive income
Listed	9	232	223
Unlisted	8,878	8,002	(876)
Total	8,887	8,234	(653)

During the six months ended 30 June 2026, the Group and the Bank did not dispose of equity instruments designated as measured at fair value with changes recognized in other comprehensive income. The related fair value changes were related to the equity instrument investments held at the end of the period (Six months ended 30 June 2025: Nil).

20 Financial investments (continued)

(b) Analysed by location of counterparties

	Note	*30 June 2026*	*31 December 2025*
In Chinese Mainland			
- governments		1,440,283	1,413,127
- policy banks		104,331	169,962
- banks and non-bank financial institutions		860,668	892,276
- corporates		231,596	203,871
Subtotal		2,636,878	2,679,236
Outside Chinese Mainland			
- governments		128,305	62,946
- banks and non-bank financial institutions		166,650	103,023
- corporates		76,817	73,294
- public entities		15,719	13,717
Subtotal		387,491	252,980
Accrued interest		20,022	19,573
Total		3,044,391	2,951,789
Less: Impairment allowance for financial assets at amortised cost	30	(25,901)	(24,964)
Net balance		3,018,490	2,926,825
Listed in Hong Kong		53,824	52,100
Listed outside Hong Kong		2,510,539	2,533,537
Unlisted		454,127	341,188
Total		3,018,490	2,926,825

Bonds traded in China’s inter-bank bond market are listed outside Hong Kong.

20 Financial investments (continued)

(c) Analysed by assessment method of allowance for impairment losses

	30 June 2026			
	Stage one	*Stage two*	*Stage three*	*Total*
Financial assets at amortised costs	1,326,942	13,075	39,434	1,379,451
Accrued interest	11,854	2,713	101	14,668
Less: Allowance for impairment losses	(1,552)	(2,385)	(21,964)	(25,901)
Net balance	1,337,244	13,403	17,571	1,368,218
Financial assets at fair value through other comprehensive income	911,403	124	201	911,728
Accrued interest	5,335	6	13	5,354
Net balance	916,738	130	214	917,082
Total carrying amount of financial assets affected by credit risk	2,253,982	13,533	17,785	2,285,300
Allowance for impairment losses of financial assets at fair value through other comprehensive income included in other comprehensive income	(1,567)	(9)	(923)	(2,499)

	31 December 2025			
	Stage one	*Stage two*	*Stage three*	*Total*
Financial assets at amortised costs	1,276,373	8,735	39,700	1,324,808
Accrued interest	11,327	1,612	117	13,056
Less: Allowance for impairment losses	(1,858)	(1,548)	(21,558)	(24,964)
Net balance	1,285,842	8,799	18,259	1,312,900
Financial assets at fair value through other comprehensive income	920,149	44	203	920,396
Accrued interest	6,512	3	2	6,517
Net balance	926,661	47	205	926,913
Total carrying amount of financial assets affected by credit risk	2,212,503	8,846	18,464	2,239,813
Allowance for impairment losses of financial assets at fair value through other comprehensive income included in other comprehensive income	(1,854)	(6)	(939)	(2,799)

21 Investments in associates and joint ventures

	Note	30 June 2026	31 December 2025
Investments in joint ventures	(a)	7,586	7,430
Investments in associates	(b)	3,438	1,357
Total		11,024	8,787

(a) Investment in joint ventures

The details of the joint ventures as at 30 June 2026 were as follows:

Name of company	*Form of business structure*	*Place of incorporation*	*Effective percentage of shares*	*Principal activities*	*Nominal value of issued shares*
CITIC aiBank Corporation Limited (“CITIC aiBank”) (Note (i))	Corporation	Mainland China	65.7%	Financial services	RMB 5.634 billion
JSC Altyn Bank (Note (ii))	Stock company	Kazakhstan	50.1%	Financial services	KZT 7.05 billion

Notes:

(i) According to the articles of association of CITIC aiBank, major activities of CITIC aiBank must be decided after the unanimous consent of the Bank and another shareholder Fujian Baidu Borui Network Technology Co., Ltd..

(ii) According to the articles of association of JSC Altyn Bank, major activities of JSC Altyn Bank must be decided after the unanimous consent of the Bank and another shareholder, the JSC Halyk Bank of Kazakhstan.

Financial statements of the joint ventures are as follow:

	As at or for the period ended 30 June 2026				
Name of Company	*Total assets*	*Total liabilities*	*Total net assets*	*Operating income*	*Net gain*
CITIC aiBank	105,202	94,694	10,508	2,373	81
JSC Altyn Bank	17,843	15,335	2,508	410	190

	As at or for the year ended 2025				
Name of Company	*Total assets*	*Total liabilities*	*Total net assets*	*Operating income*	*Net gain*
CITIC aiBank	128,086	117,670	10,416	5,929	453
JSC Altyn Bank	18,468	16,176	2,292	916	555

21 Investments in associates and joint ventures (continued)

Movement of the Group's interests in the joint ventures:

	Six months ended 30 June 2026	Year ended 31 December 2025
Initial investment cost	5,265	5,265
As at 1 January	7,430	7,009
Other changes in equity	7	(32)
Dividend received	-	(105)
Share of net gain of the joint ventures for the period/year	145	576
Exchange difference	4	(18)
As at 30 June / 31 December	7,586	7,430

(b) Investment in associates

The details of the associates as at 30 June 2026 were as follows:

Name of Company	*Form of business structure*	*Place of incorporation*	*Effective percentage of shares and voting right held by the Group*	*Principal activities*	*Nominal value of issued shares*
CITIC International Assets Management Limited ("CIAM")	Corporation	Hong Kong	46%	Investment holding and assets management	HKD2,218 million
Tianjin Leasing Assets Trading Center Co., Ltd. ("Tianjin Leasing Asset Trading Center")	Corporation	Tianjin	20%	Financial services and financing investment	RMB500 million
Genertec Universal Medical Group Co., Ltd. ("Universal Medical ") (Note (i))	Corporation	Hong Kong	6.17%	Healthcare wellness and Healthcare Finance	HKD2,014 Million
Yunnan Hongta Bank Corporation Limited ("Yunnan Hongta Bank") (Note (ii))	Corporation	Yuxi,Yunnan Province	14.52%	Financial services	RMB6,297 million

Financial statements of the associates are as follow:

	As at or for the period ended 30 June 2026				
Name of Company	*Total assets*	*Total liabilities*	*Total net assets*	*Operating income*	*Net (loss) / gain*
CIAM	478	30	448	5	(2)
Tianjin Leasing Asset Trading Center	457	34	423	0	(17)
Yunnan Hongta Bank	165,325	150,890	14,435	1,081	336

21 Investments in associates and joint ventures (continued)

	As at or for the year ended 2025				
Name of Company	*Total assets*	*Total liabilities*	*Total net assets*	*Operating income*	*Net loss*
CIAM	464	30	434	(89)	(99)
Tianjin Leasing Asset Trading Center	457	34	423	0	(17)

Notes:

(i) The Group invested in Universal Medical on September 25, 2025, and appointed one director to the board on November 17, 2025, with a 6.17% stake. Universal Medical listed on the Hong Kong Stock Exchange, and its relevant financial information shall refer to the announcement disclosure of the company.

(ii) The Group invested in Yunnan Hongta Bank on June 26, 2026, and appointed one director to the board, with a 14.52% stake.

Movement of the Group's interests in associates:

	Note	*Six months ended 30 June 2026*	*Year ended 31 December 2025*
Initial investment cost		4,294	2,226
As at 1 January		1,357	340
Changes in investment in associates		2,068	1,168
Share of net gain / (loss) of associates for the period / year		63	(31)
Other changes in equity		(1)	1
Provision for impairment	30	-	(85)
Exchange difference		(49)	(36)
As at 30 June / 31 December		3,438	1,357

22 Investments in subsidiaries

	Note	*30 June 2026*	*31 December 2025*
Investment in subsidiaries			
- CIFH	(i)	16,570	16,570
- CNCB (Hong Kong) Investment Limited ("CNCB Investment")	(ii)	1,577	1,577
- Lin'an Rural Bank	(iii)	102	102
- CFLL	(iv)	7,000	7,000
- CITIC Wealth Management CO., LTD. ("CITIC Wealth")	(v)	5,000	5,000
- CITIC Financial Assets Investment CO., LTD. ("CITIC Financial Investment")	(vi)	10,000	10,000
Total		40,249	40,249

22 Investments in subsidiaries (continued)

Major subsidiaries of the Group as at 30 June 2026 are as follows:

Name of company	*Principal place of business*	*Place of incorporation*	*Particulars of the issued and paid up capital*	*Principal activities*	*% of ownership directly held by the Bank*	*The Group's effective interest*
CIFH (Note (i))	Hong Kong	Hong Kong	HKD7,503 million	Commercial banking and non-bank financial services	100%	100%
CNCB Investment (Note (ii))	Hong Kong	Hong Kong	HKD1,871 million	Lending services and investment banking services	100%	100%
Lin'an Rural Bank (Note (iii))	Hangzhou, Zhejiang Province	Hangzhou, Zhejiang Province	RMB200 million	Commercial banking	51%	51%
CFLL (Note (iv))	Tianjin	Tianjin	RMB10,000 million	Financial lease operations	100%	100%
CITIC Wealth (Note (v))	Shanghai	Shanghai	RMB5,000 million	Wealth management	100%	100%
CITIC Financial Investment (Note (vi))	Guangzhou, Guangdong Province	Guangzhou, Guangdong Province	RM10,000 million	Marketization of debt to equity conversion and equity investment services	100%	100%

Notes:

(i) CIFH is an investment holding company registered and headquartered in Hong Kong. Its business scope through its subsidiaries covers commercial banking and non-bank financial services. The Bank holds 100% shareholding in CIFH. CIFH holds 75% shareholding in CITIC Bank International Limited ("CNCBI").

(ii) CNCB Investment founded in 1984, formerly China Investment and Finance Limited, incorporated and operating in Hong Kong, holds a money lending licence; and also the No.1, 4, 6 and 9 licenses from Hong Kong Securities Regulatory Commission through its wholly-owned subsidiary CNCB (Hong Kong) Capital Limited. The business scope of CNCB Investment includes investment banking, capital market investment, lending and other related services.

(iii) Lin'an Rural Bank was founded in 2011 with a registered capital of RMB200 million. Its principal activities are commercial banking businesses. The Bank holds 51% of Lin'an Rural Bank's shares and voting rights.

(iv) The Bank established CFLL in 2015 with a registered capital of RMB4 billion. Its principal business activity is financial leasing. On 27 June 2025, with the approval of Tianjin Financial Supervision Bureau, The Bank increased CFLL's registered capital by RMB 3 billion in cash, and CFLL increased its registered capital by RMB 3 billion through undistributed profits. CFLL changed its registered capital from RMB4 billion to RMB10 billion,The Bank holds 100% of its shares and voting rights.

22 Investments in subsidiaries (continued)

(v) CITIC Wealth was established in 2020 with a registered capital of RMB5 billion. Its principal business operation is wealth management. The Bank holds 100% of its shares and voting rights.

(vi) CITIC Financial Investment was established in 2025 with a registered capital of RMB10 billion. Its principal business operation is market-based debt to equity swaps and equity investment services. The Bank holds 100% of its shares and voting rights.

23 Investment properties

	Six months ended 30 June 2026	*Year ended 31 December 2025*
Fair value as at 1 January	520	578
Change in fair value	(4)	(86)
Transfers	-	55
Exchange difference	(19)	(27)
Fair value as at 30 June/31 December	497	520

Investment properties of the Group are buildings held by subsidiaries and mainly located in Hong Kong and leased to third parties through operating leases. There are active real estate markets where the investment properties are located and the Group is able to obtain market price and related information of similar properties, and therefore makes estimation about the fair value of the investment properties as at 30 June 2026.

All investment properties of the Group were revalued at 30 June 2026 by an independent firm of surveyors on an open market value basis. The fair value is in line with the definition of "IFRS13 – Fair value measurement". The revaluation surplus has been recognized in the profit or loss for the current year.

The investment properties of the Group are categorised into Level 3.

24 Property, plant and equipment

	Buildings	*Construction in progress*	*Aircraft and vessels, etc*	*Computer equipment and others*	*Total*
Cost or deemed cost:					
As at 1 January 2026	36,917	1,239	43,111	18,147	99,414
Additions	10	106	9,360	85	9,561
Disposals	-	-	(817)	(270)	(1,087)
Exchange differences	(17)	-	(476)	(43)	(536)
As at 30 June 2026	36,910	1,345	51,178	17,919	107,352
Accumulated depreciation:					
As at 1 January 2026	(11,523)	-	(1,230)	(12,127)	(24,880)
Depreciation charges	(541)	-	(951)	(965)	(2,457)
Disposals	-	-	47	257	304
Exchange differences	10	-	17	30	57
As at 30 June 2026	(12,054)	-	(2,117)	(12,805)	(26,976)
Net carrying value:					
As at 1 January 2026	25,394	1,239	41,881	6,020	74,534
As at 30 June 2026 (Note (i))	24,856	1,345	49,061	5,114	80,376

	Buildings	*Construction in progress*	*Aircraft and vessels, etc*	*Computer equipment and others*	*Total*
Cost or deemed cost:					
As at 1 January 2025	36,874	773	12,840	17,555	68,042
Additions	137	466	31,797	1,596	33,996
Disposals/Transfers	(71)	-	(1,224)	(937)	(2,232)
Exchange differences	(23)	-	(302)	(67)	(392)
As at 31 December 2025	36,917	1,239	43,111	18,147	99,414
Accumulated depreciation:					
As at 1 January 2025	(10,440)	-	(290)	(10,796)	(21,526)
Depreciation charges	(1,109)	-	(1,044)	(2,023)	(4,176)
Disposals/Transfers	13	-	97	646	756
Exchange differences	13	-	7	46	66
As at 31 December 2025	(11,523)	-	(1,230)	(12,127)	(24,880)
Net carrying value:					
As at 1 January 2025	26,434	773	12,550	6,759	46,516
As at 31 December 2025 (Note (i))	25,394	1,239	41,881	6,020	74,534

24 Property, plant and equipment (continued)

Note:

(i) As at 30 June 2026, the registration of certain buildings acquired has not been completed, and the net book value of such buildings was approximately RMB 12,372 million (as at 31 December 2025: RMB 10,334 million). The Group believes the incomplete registration does not affect the rights of the Group as the legal successor to these buildings.

25 Right-of-use assets

	Buildings	*Land use right*	*Equipment*	*Vehicles and others*	*Total*
Cost or deemed cost:					
As at 1 January 2026	21,048	1,221	10	59	22,338
Additions	1,159	-	-	1	1,160
Disposals	(900)	-	-	(1)	(901)
Exchange differences	(43)	-	-	-	(43)
As at 30 June 2026	21,264	1,221	10	59	22,554
Accumulated depreciation:					
As at 1 January 2026	(11,509)	(449)	(8)	(35)	(12,001)
Accrual	(1,391)	(16)	-	(4)	(1,411)
Disposals	762	-	-	1	763
Exchange differences	24	-	-	-	24
As at 30 June 2026	(12,114)	(465)	(8)	(38)	(12,625)
Net carrying value:					
As at 1 January 2026	9,539	772	2	24	10,337
As at 30 June 2026	9,150	756	2	21	9,929

	Buildings	*Land use right*	*Equipment*	*Vehicles and others*	*Total*
Cost or deemed cost:					
As at 1 January 2025	21,469	1,221	66	78	22,834
Additions	2,476	-	1	5	2,482
Disposals	(2,850)	-	(57)	(24)	(2,931)
Exchange differences	(47)	-	-	-	(47)
As at 31 December 2025	21,048	1,221	10	59	22,338
Accumulated depreciation:					
As at 1 January 2025	(11,268)	(419)	(64)	(48)	(11,799)
Accrual	(2,944)	(30)	(1)	(10)	(2,985)
Disposals	2,679	-	57	23	2,759
Exchange differences	24	-	-	-	24
As at 31 December 2025	(11,509)	(449)	(8)	(35)	(12,001)
Net carrying value:					
As at 1 January 2025	10,201	802	2	30	11,035
As at 31 December 2025	9,539	772	2	24	10,337

25 Right-of-use assets (continued)

As at 30 June 2026, the balance of the Group's lease liabilities amounted to RMB 9,897 million (31 December 2025: RMB 10,249 million), including RMB 3,757 million of lease liabilities that will mature within a year (31 December 2025: RMB 2,616 million).

As at 30 June 2026, lease payments relating to lease contracts signed but to be executed amounted to RMB 466 million (31 December 2025: RMB 49 million).

For the six months ended 30 June 2026, the lease expense of short-term leases with a lease term of no more than 12 months and leases of assets with low values amounted to RMB 49 million (for the six months ended 30 June 2025: RMB 119 million).

26 Intangible assets

The Group's intangible assets mainly include computer software and data resources, etc. As at 30 June 2026, in accordance with the Notice on Promulgation of the Provisions on Accounting Treatment for Enterprise Data Resources issued by the Ministry of Finance, the original value of data resources recognized as intangible assets was RMB 19.02 million (31 December 2025: RMB 19.02 million), the accumulated amortization was RMB 6.79 million (31 December 2025: RMB 3.62 million), and the net carrying amount was RMB 12.23 million (31 December 2025: RMB 15.40 million).

27 Goodwill

	Six months ended 30 June 2026	*Year ended 31 December 2025*
As at 1 January	916	959
Exchange difference	(34)	(43)
As at 30 June/31 December	882	916

28 Deferred tax assets / (liabilities)

	30 June 2026	*31 December 2025*
Deferred tax assets	52,517	54,670
Deferred tax liabilities	(70)	(128)
Net	52,447	54,542

28 Deferred tax assets / (liabilities) (continued)

(a) Analysed by nature and jurisdiction

	30 June 2026		*31 December 2025*	
	Deductible/ (taxable) temporary differences	*Deferred tax assets/ (liabilities)*	*Deductible/ (taxable) temporary differences*	*Deferred tax assets/ (liabilities)*
Deferred tax assets				
- allowance for impairment losses	207,977	51,737	212,930	53,143
- fair value adjustments	(14,983)	(3,782)	(18,410)	(4,620)
- employee retirement benefits and salaries payable	10,101	2,525	16,240	4,060
- others	8,013	2,037	8,368	2,087
Subtotal	211,108	52,517	219,128	54,670
Deferred tax liabilities				
- allowance for impairment losses	-	-	927	153
- fair value adjustments	(86)	(19)	(804)	(137)
- others	(305)	(51)	(876)	(144)
Subtotal	(391)	(70)	(753)	(128)
Total	210,717	52,447	218,375	54,542

(b) Offsetting of deferred tax assets and deferred tax liabilities

As at 30 June 2026, the deferred tax assets/liabilities offset by the Group were RMB 6,210 million (31 December 2025: RMB7,200 million).

(c) Movement of deferred tax

	Allowance for impairment losses	*Fair value adjustments*	*Employee retirement benefits and salaries payable*	*Others*	*Total deferred tax*
As at 1 January 2026	53,296	(4,757)	4,060	1,943	54,542
Recognized in profit or loss	(1,558)	1,414	(1,535)	39	(1,640)
Recognized in other comprehensive income	-	(459)	-	-	(459)
Exchange differences	(1)	1	-	4	4
As at 30 June 2026	51,737	(3,801)	2,525	1,986	52,447
As at 1 January 2025	55,261	(6,599)	3,957	1,472	54,091
Recognized in profit or loss	(1,962)	(1,980)	103	466	(3,373)
Recognized in other comprehensive income	-	3,821	-	-	3,821
Exchange differences	(3)	1	-	5	3
As at 31 December 2025	53,296	(4,757)	4,060	1,943	54,542

29 Other assets

	Notes	*30 June 2026*	*31 December 2025*
Advanced payments and settlement accounts		36,802	32,978
Precious metal leasing		11,885	11,935
Assets with continuing involvement		10,125	10,614
Interest receivables	(i)	8,938	8,142
Fee and commission receivables		5,975	5,682
Other receivables		3,825	2,328
Prepayments for properties and equipment		2,565	3,335
Repossessed assets	(ii)	965	990
Leasehold improvements		843	962
Prepaid rent		7	16
Others	(iii)	15,747	14,345
Total		97,677	91,327

Notes:

(i) Interest receivable

Interest receivable represents interest on financial instruments due and receivable but not yet received as at the balance sheet date and is stated net of corresponding impairment allowances. The impairment allowance on the Group's interest receivable is RMB 7,005 million (as at 31 December 2025: RMB 5,758 million).

(ii) Repossessed assets

	Notes	*30 June 2026*	*31 December 2025*
Premises		2,127	2,222
Others		2	2
Gross balance		2,129	2,224
Less: Allowance for impairment losses	30	(1,164)	(1,234)
Net balance		965	990

As at 30 June 2026, the Group intended to dispose all the repossessed assets and had no plan to transfer the repossessed assets for own use (as at 31 December 2025: Nil).

(iii) Others

Others include: advances for cases and risk events, advance payment of legal fees, deferred expenses, etc.

30 Movements of allowance for impairment losses

		Six months ended 30 June 2026				
	Notes	As at 1 January	(Reversal)/ Charge for the period	Write-offs/ transfer out	Others Notes (i)	As at 30 June
Allowance for credit impairment losses						
Deposits with banks and non-bank financial institutions	15	60	(8)	-	-	52
Placements with and loans to banks and non-bank financial institutions	16	200	(2)	-	(1)	197
Financial assets held under resale agreements	18	143	(26)	-	-	117
Loans and advances to customers	19	136,856	30,940	(30,913)	3,159	140,042
Financial investments						
- at amortised cost	20	24,623	838	-	90	25,551
- at fair value through other comprehensive income	20	2,799	(240)	(3)	(57)	2,499
Other financial assets and accrued interest		11,213	3,196	(2,541)	76	11,944
Off balance sheet credit assets	38	9,893	(1,233)	-	(19)	8,641
Subtotal		185,787	33,465	(33,457)	3,248	189,043
Allowance for impairment losses on other assets						
Investments in associates and joint ventures	21	85	-	-	-	85
Other assets - repossessed assets	29	1,234	(1)	(68)	(1)	1,164
Subtotal		1,319	(1)	(68)	(1)	1,249

30 Movements of allowance for impairment losses (continued)

		Year ended 31 December 2025				
	Notes	*As at 1 January*	*Charge for the year*	*Write-offs/ transfer out*	*Others Notes (i)*	*As at 31 December*
Allowance for credit impairment losses						
Deposits with banks and non-bank financial institutions	15	56	5	-	(1)	60
Placements with and loans to banks and non-bank financial institutions	16	185	16	-	(1)	200
Financial assets held under resale agreements	18	87	56	-	-	143
Loans and advances to customers	19	139,240	51,030	(65,584)	12,170	136,856
Financial investments						
- at amortised cost	20	26,108	601	(3,094)	1,008	24,623
- at fair value through other comprehensive income	20	2,558	307	-	(66)	2,799
Other financial assets and accrued interest		12,073	5,735	(6,997)	402	11,213
Off balance sheet credit assets	38	9,721	189	-	(17)	9,893
Subtotal		190,028	57,939	(75,675)	13,495	185,787
Allowance for impairment losses on other assets						
Investments in associates and joint ventures	21	-	85	-	-	85
Other assets - repossessed assets	29	1,132	148	(45)	(1)	1,234
Subtotal		1,132	233	(45)	(1)	1,319

The impairment losses of accrued interest of the financial instruments in this table and its changes are included in “Other financial assets and accrued interest”.

Notes:

(i) Others include recovery of loans written off, and effect of exchange differences during the period.

31 Deposits from banks and non-bank financial institutions

Analysed by types and locations of counterparties

	30 June 2026	31 December 2025
In Mainland China		
- banks	173,998	216,163
- non-bank financial institutions	1,028,191	710,158
Subtotal	1,202,189	926,321
Outside Mainland China		
- banks	20,099	8,157
- non-bank financial institutions	731	274
Subtotal	20,830	8,431
Accrued interest	3,632	1,920
Total	1,226,651	936,672

32 Placements from banks and non-bank financial institutions

Analysed by types and locations of counterparties

	30 June 2026	31 December 2025
In Mainland China		
- banks	130,348	136,173
Subtotal	130,348	136,173
Outside Mainland China		
- banks	20,429	21,484
- non-bank financial institutions	51	751
Subtotal	20,480	22,235
Accrued interest	419	605
Total	151,247	159,013

33 Financial assets sold under repurchase agreements

(a) Analysed by type and location of counterparties

	30 June 2026	*31 December 2025*
In Mainland China		
- PBOC	235,812	358,122
- Banks	2,692	95,875
- Non-bank financial institutions	1,435	1,000
Subtotal	239,939	454,997
Outside Mainland China		
- Banks	58,640	21,822
- Non-bank financial institutions	444	-
Subtotal	59,084	21,822
Accrued interest	922	683
Total	299,945	477,502

(b) Analysed by type of collateral

	30 June 2026	*31 December 2025*
Debt securities	297,411	474,295
Discounted bills	1,612	2,524
Accrued interest	922	683
Total	299,945	477,502

The Group did not derecognize financial assets transferred as collateral in connection with financial assets sold under repurchase agreements. As at 30 June 2026, no legal title of the collateral has been transferred to counterparties. The above information of collateral is included in the Note 50.

34 Deposits from customers

Analysed by nature

	30 June 2026	31 December 2025
Demand deposits		
- corporate customers	1,934,643	1,985,116
- personal customers	514,573	473,380
Subtotal	2,449,216	2,458,496
Time and call deposits		
- corporate customers	2,378,632	2,185,649
- personal customers	1,345,420	1,320,869
Subtotal	3,724,052	3,506,518
Outward remittance and remittance payables	106,612	84,261
Accrued interest	56,619	77,737
Total	6,336,499	6,127,012

Guarantee deposits included in above deposits:

	30 June 2026	31 December 2025
Bank acceptances	515,880	440,829
Guarantees	25,955	28,343
Letters of credit	51,402	46,060
Others	44,693	42,373
Total	637,930	557,605

35 Accrued staff costs

	Notes	As at 1 January	Additions during the period	Reductions during the period	As at 30 June
		Six months ended 30 June 2026			
Salaries and bonuses		19,915	11,180	(17,647)	13,448
Social insurance		18	1,116	(1,117)	17
Welfare expenses		5	566	(568)	3
Housing fund		12	1,129	(1,130)	11
Labor union expenses and employee education expenses		922	255	(261)	916
Post-employment benefits - defined contribution plans	(a)	23	2,362	(2,361)	24
Post-employment benefits - defined benefit plans	(b)	16	-	(1)	15
Other benefits		66	221	(235)	52
Total		20,977	16,829	(23,320)	14,486

	Notes	As at 1 January	Additions during the year	Reductions during the year	As at 31 December
		Year ended 31 December 2025			
Salaries and bonuses		19,091	28,449	(27,625)	19,915
Social insurance		10	2,203	(2,195)	18
Welfare expenses		5	1,584	(1,584)	5
Housing fund		7	2,303	(2,298)	12
Labor union expenses and employee education expenses		1,079	517	(674)	922
Post-employment benefits - defined contribution plans	(a)	18	4,770	(4,765)	23
Post-employment benefits - defined benefit plans	(b)	17	-	(1)	16
Other benefits		91	420	(445)	66
Total		20,318	40,246	(39,587)	20,977

(a) Post-employment benefits - defined contribution plans

Post-employment benefits defined contribution plans include contributions to statutory retirement plan. Pursuant to the relevant laws and regulations in the PRC governing labor and social security, the Group has joined statutory retirement plan for the employees as set out by city and provincial governments. The Group is required to make contributions based on defined ratios of the salaries, bonuses and certain allowance of the employees to the statutory retirement plan under the administration of the government.

In addition to the above statutory retirement plan, the Bank's qualified employees have joined a defined contribution retirement scheme (the "Scheme") which was established by the Group and managed by CITIC Group. For six months ended 30 June 2026, the Bank has made annuity contributions at 8% (31 December 2025: 8%) of its employees' gross wages. For six months ended 30 June 2026, the Bank made annuity contribution amounted to RMB 984 million (31 December 2025: RMB 1,955 million).

The Group operates a defined contribution provident fund and a Mandatory Provident Fund scheme for Hong Kong staff. Contributions are charged to profit or loss when the contribution fall due.

35 Accrued staff costs (continued)

(b) Post-employment benefits - defined benefit plans

The Group offers supplementary retirement benefits for certain of its qualified employees in Mainland China. Retired employees are eligible to join this supplementary retirement benefit plan. The amount that is recognized as at reporting date presents the discounted value of benefit obligation in the future.

The present value of the Group's supplementary retirement plan obligations on the date of balance sheet is calculated through projected unit credit method and computed by a qualified professional actuary firm Towers Watson Consulting (Shenzhen) Ltd. Beijing Branch.

The primary assumptions used by the actuary are as follows

	30 June 2026	*31 December 2025*
Discount rate	1.75%	1.75%
Annual withdrawal rate	5.00%	5.00%
Normal retirement age	Male: 63 years old Female: 58 years old	Male: 63 years old Female: 58 years old
Annual increase rate of social average wage and salary for current active employees	5.00%	5.00%
Mortality rate	Determined by the China Life Insurance Mortality Table	

On 30 June 2026 and 31 December 2025, the change amount of supplementary retirement benefits scheme liabilities incurred by the actuarial assumptions variations illustrated above was immaterial.

(c) The salaries, bonuses, allowances and subsidies, retirement benefits and other social insurance payable to employees are paid in accordance with relevant laws and regulations within time limit stipulated by the Group.

36 Taxes payable

	30 June 2026	*31 December 2025*
Income tax	1,085	567
VAT and surcharges	3,072	3,798
Others	260	277
Total	4,417	4,642

37 Debt securities issued

	Notes	30 June 2026	31 December 2025
Long-term debt securities issued	(a)	154,080	204,447
Subordinated bonds issued:			
- by the Bank	(b)	69,996	69,995
- by CNCBI	(c)	3,380	3,479
Certificates of interbank deposit issued	(d)	859,293	933,507
Accrued interest		2,434	2,911
Total		1,089,183	1,214,339

(a) Long-term debt securities issued by the Group as at 30 June 2026:

Bond Type	Start Date	Maturity Date	Annual Interest Rate	30 June 2026 Nominal Value RMB	31 December 2025 Nominal Value RMB
Fixed rate bond	2 February 2021	2 February 2026	1.250%	-	2,446
Fixed rate bond	27 March 2023	27 March 2026	2.790%	-	10,000
Fixed rate bond	13 April 2023	13 April 2026	2.770%	-	30,000
Fixed rate bond	16 May 2023	16 May 2026	2.680%	-	10,000
Floating rate bond	2 July 2024	9 July 2027	SOFR +0.550%	2,036	2,097
Fixed rate bond	12 July 2024	12 July 2027	2.100%	40,000	40,000
Fixed rate bond	9 August 2024	9 August 2027	1.810%	20,000	20,000
Fixed rate bond	7 November 2024	7 November 2027	2.060%	25,000	25,000
Fixed rate bond	7 November 2024	7 November 2027	2.060%	5,000	5,000
Fixed rate bond	10 December 2024	10 September 2027	3.100%	700	700
Fixed rate bond	28 March 2025	28 March 2028	1.920%	30,000	30,000
Fixed rate bond	11 April 2025	10 April 2026	2.700%	-	1,160
Fixed rate bond	28 April 2025	28 April 2028	1.670%	5,000	5,000
Fixed rate bond	13 May 2025	7 May 2026	1.950%	-	220
Fixed rate bond	20 May 2025	20 May 2028	1.660%	10,000	10,000
Fixed rate bond	19 June 2025	19 June 2028	2.400%	1,100	1,100
Fixed rate bond	8 July 2025	24 June 2026	1.850%	-	350
Fixed rate bond	9 July 2025	25 June 2026	1.800%	-	300
Floating rate bond	5 August 2025	7 August 2028	SOFR +0.500%	2,036	2,097
Fixed rate bond	25 November 2025	24 November 2028	1.920%	3,000	3,000
Floating rate bond	27 November 2025	27 November 2028	One-year LPR-1.13%	6,000	6,000
Fixed rate bond	15 January 2026	15 July 2026	3.790%	17	-
Fixed rate bond	15 April 2026	15 January 2027	4.420%	141	-
Fixed rate bond	27 April 2026	27 April 2029	1.730%	3,000	-
Fixed rate bond	28 April 2026	28 July 2026	4.670%	52	-
Fixed rate bond	8 May 2026	30 April 2027	4.120%	199	-
Fixed rate bond	13 May 2026	14 August 2026	4.740%	66	-
Fixed rate bond	10 June 2026	10 December 2026	4.950%	337	-
Fixed rate bond	11 June 2026	11 December 2026	4.950%	338	-
Fixed rate bond	11 June 2026	11 September 2026	3.950%	77	-
Total nominal value				154,099	204,470
Less: Unamortised issuance cost				(19)	(23)
Less: offset				-	-
Carrying value				154,080	204,447

37 Debt securities issued (continued)

(b) The carrying value of the Bank's subordinated bonds issued:

	Notes	30 June 2026	31 December 2025
Subordinated fixed rate bonds maturing:			
- in December 2033	(i)	21,498	21,498
- in May 2035	(ii)	39,998	39,997
- in December 2038	(iii)	8,500	8,500
Total		69,996	69,995

Notes:

(i) The Bank issued fixed-rate subordinated bonds on 19 December 2023 with a coupon rate of 3.19% per annum. The Bank has the option to redeem the bonds on 19 December 2028. If the Bank does not exercise this option, the coupon rate will remain 3.19% per annum for the next five years.

(ii) The Bank issued fixed-rate subordinated bonds on 19 May 2025 with a coupon rate of 1.99% per annum. The Bank has the option to redeem the bonds on 19 May 2030. If the Bank does not exercise this option, the coupon rate will remain 1.99% per annum for the next five years.

(iii) The Bank issued fixed-rate subordinated bonds on 19 December 2023 with a coupon rate of 3.25% per annum. The Bank has the option to redeem the bonds on 19 December 2033. If the Bank does not exercise this option, the coupon rate will remain 3.25% per annum for the next five years.

(c) The carrying value of CNCBI's subordinated bonds issued:

	Note	30 June 2026	31 December 2025
Subordinated fixed rate notes maturing:			
- in December 2033	(i)	3,380	3,479
Total		3,380	3,479

37 Debt securities issued (continued)

Note:

(i) CNCBI issued USD 500 million subordinated notes at a coupon rate of 6.00% per annum on 5 December 2023. CNCBI has an option to redeem these notes on each coupon payment date on and after 5 December 2028. If CNCBI does not exercise the redemption option, the coupon rate per annum will be the 5-year US treasury bond rate on 5 December 2028, plus 1.65%. The notes are listed on the Hong Kong Stock Exchange.

(d) As at 30 June 2026, the Bank's outstanding large transferable certificates of interbank deposits amounted to RMB 859,095 million (31 December 2025: RMB 932,810 million), with reference yields ranging from 1.34% to 1.68% per annum (31 December 2025: 1.54% to 2.04%). Their original expiry terms range from one month to one year.

38 Provisions

	30 June 2026	*31 December 2025*
Allowance for impairment losses on off balance sheet items	8,641	9,893
Litigation provisions	372	325
Total	9,013	10,218

The movement of off-balance sheet allowance for impairment losses is included in the Note 30.

Movement of provisions:

	Six months ended 30 June 2026	*Year ended 31 December 2025*
As at 1 January	325	269
Accruals	47	56
As at 30 June/31 December	372	325

39 Other liabilities

	30 June 2026	*31 December 2025*
Settlement and clearing accounts	18,834	35,916
Payment and collection accounts	16,123	3,270
Gold Accumulation	11,928	6,579
Continuing involvement liabilities	10,125	10,614
Other payables	6,100	6,915
Advances and deferred expenses	3,048	3,679
Leasing deposits	1,671	1,627
Dividends payables	1,388	-
Accrued expenses	435	232
Others	4,772	4,129
Total	74,424	72,961

40 Share capital

	Number of shares and Nominal Value (millions)	
	30 June 2026	*31 December 2025*
Ordinary shares		
Registered, issued and fully paid :		
A-Share	40,763	40,763
H-Share	14,882	14,882
Total	55,645	55,645

	Note	*Six months ended 30 June 2026*	*Year ended 31 December 2025*
As at 1 January		55,645	54,397
Convertible bond settlement	(i)	-	1,248
As at 30 June/31 December		55,645	55,645

Note:

(i) For the six months ended 30 June 2026, the share capital of the Bank remained unchanged (In 2025, convertible corporate bonds of RMB 6,977,169,000 were converted to 1,248,148,483 A-shares).

41 Other equity instruments

	30 June 2026	31 December 2025
Preference shares (Note (i))	34,955	34,955
Perpetual bonds (Note (ii))	90,000	69,993
Total	124,955	104,948

(i) Preference shares

Financial instruments in issue	Dividend rate	Issued price (RMB)	Issued number of shares (millions shares)	Issued nominal value (RMB millions)	Maturity date	Conversions
Preference shares	3.80% per annum for the first five years after issuance, and re-priced every five years	100	350	35,000	No maturity date	No conversion during the period

35,000 million preference shares of RMB 100 each were issued in October 2016, with a dividend rate of 3.80% per annum from issuance, to no more than 200 qualified investors, pursuant to the approval by its ordinary shareholders' meeting and relevant regulatory authorities.

The carrying amount of preference shares, net of direct issuance expenses, was RMB 34,955 million. All the proceeds received is used to replenish Other Tier-One capital in order to increase the Bank's Tier-One capital adequacy ratio (Note 54). Dividends are non-cumulative and where payable are paid annually. Dividend rate will be re-priced every five years thereafter with reference to the five-year PRC treasury bonds yield plus a fixed premium of 1.30%. During the second dividend period beginning from 26 October 2021, the base rate and fixed premium is 2.78% and 1.30%, respectively, and the coupon rate is 4.08%.

As authorised by the ordinary shareholders' Annual General Meeting, the Board of Directors has the sole discretion to declare and distribute dividends on preference shares. The Bank shall not distribute any dividends to its ordinary shareholders before it declares such dividends to preference shareholders for the relevant period. The distribution of preference shares dividend is at the Bank's discretion and is non-cumulative. Preference shareholders are not entitled to participate in the distribution of retained profits except for the dividends stated above.

The Bank has redemption option when specified conditions as stipulated in the offering documents of preference shares are met, subject to regulatory approval, whereas preference shareholders have no right to require the Bank to redeem the preference shares.

Upon occurrence of the triggering events as stipulated in the offering documents and subject to regulatory approval, preference shares shall be mandatorily converted into ordinary A shares of the Bank at the conversion price of RMB 7.07 per share, partially or entirely. The conversion price of the preference shares will be adjusted where certain events occur including bonus issues, rights issue, capitalisation of reserves and new issuances of ordinary shares below market price, subject to terms and formulae provided for in the offering documents, to maintain the relative interests between preference shareholders and ordinary shareholders.

41 Other equity instruments (continued)

These preference shares are classified as equity instruments and presented as equity in the consolidated interim statement of financial position; and are qualified as Tier-One capital Instruments in accordance with the NFRA requirements.

(ii) Perpetual bonds

On 26 April 2021, the Bank issued RMB 40 billion write-down undated capital bonds (the “Bonds”) in the domestic interbank bond market. The denomination of these Bonds is RMB 100 each, and the annual coupon rate of the Bonds for the first 5 years is 4.20%, resetting every 5 years. The bank redeemed the Bonds on 26 April 2026.

On 26 April 2024, the Bank issued RMB 30 billion write-down undated capital bonds (the “Bonds”) in the domestic interbank bond market. The denomination of these Bonds is RMB100 each, and the annual coupon rate of the Bonds for the first 5 years is 2.42%, resetting every 5 years.

On 10 April 2026, the Bank issued RMB 40 billion write-down undated capital bonds (the “Bonds”) in the domestic interbank bond market. The denomination of these Bonds is RMB100 each, and the annual coupon rate of the Bonds for the first 5 years is 2.06%, resetting every 5 years.

On 12 June 2026, the Bank issued RMB 20 billion write-down undated capital bonds (the “Bonds”) in the domestic interbank bond market. The denomination of these Bonds is RMB100 each, and the annual coupon rate of the Bonds for the first 5 years is 1.97%, resetting every 5 years.

The duration of these Bonds is the same as the continuing operation of the Bank. Subject to the satisfaction of the redemption conditions and having obtained the prior approval of the NFRA, the Bank may redeem the Bonds in whole or in part on each distribution payment date 5 years after the issuance date of the Bonds. Upon the occurrence of a trigger event for write-downs, with the consent of the NFRA and without the consent of the bondholders, the Bank has the right to write down all or part of the above Bonds issued and existing at that time in accordance with the total par value. The claims of the holders of the Bonds will be subordinated to the claims of depositors, general creditors and subordinated creditors that are ranked higher than the bonds; and shall rank in priority to the claims of shareholders and will rank pari passu with the claims under any other additional tier 1 capital instruments of the Bank that rank pari passu with the Bonds.

The Bonds are paid by non-cumulative interest. The Bank shall have the right to cancel distributions on the Bonds in whole or in part and such cancellation shall not constitute a default. The Bank may at its discretion utilize the proceeds from the cancelled distribution to meet other obligations of maturing debts. But the Bank shall not distribute profits to ordinary shareholders until the resumption of full interest payment.

These perpetual bonds are classified as equity instruments, and presented as equity in the consolidated interim statement of financial position; and are qualified as Additional Tier-One Capital Instruments in accordance with the NFRA requirements.

41 Other equity instruments (continued)

Interests attributable to equity instruments' holder:

	30 June 2026	*31 December 2025*
Total equity attributable to equity holders of the Bank	871,757	828,813
Equity attributable to ordinary equity holders of the Bank	746,802	723,865
Equity attributable to other equity instruments holders of the Bank	124,955	104,948
- Dividend distribution for the period/year	2,406	3,834
Total equity attributable to non-controlling interests	19,041	18,817
Equity attribute to non-controlling interests of ordinary shares	11,351	11,127
Equity attributable to non-controlling interests of other equity instruments	7,690	7,690

During the six months ended 30 June 2026, the Bank did not paid to the preference shareholders (2025: RMB 1,428 million), RMB 2,406 million was paid to to holders of perpetual bonds (2025: RMB 2,406 million).

42 Capital reserves

	30 June 2026	*31 December 2025*
Share premium	95,243	95,249
Other reserves	316	317
Total	95,559	95,566

43 Other comprehensive income

Other comprehensive income comprises items that will not be reclassified subsequently to profit or loss, such as net changes on the measurement of defined benefit plans (Note 35) and fair value changes on financial investments designated at fair value through other comprehensive income, and items that may be reclassified subsequently to profit or loss, such as fair value changes on financial assets at fair value through other comprehensive income, credit impairment allowance on financial assets at fair value through other comprehensive income and exchange differences on translation.

44 Surplus reserve

	Six months ended 30 June 2026	*Year ended 31 December 2025*
As at 1 January	74,099	67,629
Appropriations	-	6,470
As at 30 June/31 December	74,099	74,099

Under the relevant PRC Laws, the Bank and the Group's subsidiaries in Mainland China are required to appropriate 10% of its profit for the year, as determined under regulations issued by the regulatory bodies of the PRC, to the statutory surplus reserve until the reserve balance reaches 50% of the registered capital. After making the appropriation to the statutory surplus reserve, the Bank may also appropriate its profit for the year to the discretionary surplus reserve upon approval by ordinary shareholders at the Annual General Meeting. The Bank makes its appropriation on an annual basis.

Subject to the approval of ordinary shareholders, statutory surplus reserves may be used for replenishing accumulated losses, if any, and may be converted into share capital, provided that the balance of statutory surplus reserve after such capitalisation is not less than 25% of the registered capital before the process.

45 General reserve

	Six months ended 30 June 2026	*Year ended 31 December 2025*
As at 1 January	120,314	111,723
Appropriations	201	8,591
As at 30 June/31 December	120,515	120,314

Pursuant to relevant Ministry of Finance ("MOF") notices, the Bank and the Group's banking subsidiaries in Mainland China are required, at the end of each financial year, to appropriate a general risk reserve out of after-tax profits based on a certain percentage of the balance of risk-bearing and loss-bearing assets. Such reserve is used to offset potential unidentified losses.

CITIC Wealth shall draw operational risk reserves on a monthly basis according to the Administrative Measures for Wealth-management Subsidiaries of Commercial Banks. CNCBI Macau shall draw down its regulatory reserves on a monthly basis according to the requirements of the Monetary Authority of Macau, China CITIC Bank International shall draw operational risk reserves according to the requirements of the Measures for the Administration of Provision Accrual by Financial Enterprises. As at 30 June 2026, a total of RMB 4,027 million of corresponding risk provisions was drawn by CIFH and CITIC Wealth (31 December 2025: RMB 3,833 million).

46 Profit appropriations and retained earnings

(a) The proposal of cash dividend of RMB1.93 per ten ordinary shares related to 2025, amounting to RMB 10,740 million in total was approved at the second extraordinary General Meeting held on 13 May 2026.

(b) On 26 April 2021, the Bank issued RMB 40 billion write-down undated capital bonds in the domestic interbank bond market. The Bank paid RMB 1,680 million in interest at a coupon rate of 4.20% to investors of perpetual bonds on 26 April 2026.

On 26 April 2024, the Bank issued RMB 30 billion write-down undated capital bonds in the domestic interbank bond market. The Bank paid RMB 726 million in interest at a coupon rate of 2.42% to investors of perpetual bonds on 26 April 2026.

(c) As at 30 June 2026, the retained earnings included the statutory surplus reserves of certain subsidiaries of RMB 1,943 million (31 December 2025: RMB 1,943 million). Such statutory surplus reserves cannot be distributed.

47 Non-controlling interests

As at 30 June 2026, non-controlling interests included ordinary shares held by non-controlling interest in subsidiaries and other equity instrument holders' interests. Other equity instrument holders' interest amounted to RMB7,690 million (31 December 2025: RMB7,690 million) representing other equity instruments issued by CNCBI on 29 July 2021 and 22 April 2022, an entity ultimately controlled by the Group. Such instruments are perpetual non-cumulative additional Tier-One capital securities (the "Capital Securities").

Financial instruments in issue	*Issue Date*	*Nominal Value*	*First Call Date*	*Coupon Rate*	*Payment Frequency*
Perpetual Bonds	29 July 2021	USD600 million	29 July 2026	3.25% per annum for the first five years after issuance, and re-priced every five years to a rate equivalent to the five-year US Treasury rate plus 2.53% per annum	Semi-annually
Perpetual Bonds	22 April 2022	USD600 million	22 April 2027	4.80% per annum for the first five years after issuance, and re-priced every five years to a rate equivalent to the five-year US Treasury rate plus 2.104% per annum	Semi-annually

CNCBI may, at its sole discretion, elect to cancel any payment of coupon, in whole or in part, or redeem Capital Securities. These Capital Securities listed above are classified as other equity instruments.

A distribution of RMB166 million was paid to the holders of the Capital Securities mentioned above during the six months ended 30 June 2026 (During the six months ended 30 June 2025: RMB174 million).

48 Notes to consolidated interim statement of cash flows

Cash and cash equivalents

	30 June 2026	*30 June 2025*
Cash	4,147	4,256
Cash equivalents		
- Surplus deposit reserve funds	190,987	78,902
- Deposits with banks and non-bank financial institutions due within three months when acquired	74,426	59,937
- Placements with and loans to banks and non-bank financial institutions due within three months when acquired	70,275	52,664
- Investment securities due within three months when acquired	39,541	60,905
Subtotal	375,229	252,408
Total	379,376	256,664

49 Commitments and contingent liabilities

(a) Credit commitments

The Group's credit commitments take the form of loan commitments, credit card commitments, financial guarantees, letters of credit and acceptances.

Loan commitments and credit card commitments represent the undrawn amount of approved loans with signed contracts and credit card limits. Financial guarantees and letters of credit represent guarantees provided by the Group to guarantee the performance of customers to third parties. Bank acceptances comprise undertakings by the Group to pay bills of exchange drawn on customers. The Group expects the majority acceptances to be settled simultaneously with the reimbursement from the customers.

49 Commitments and contingent liabilities (continued)

The contractual amounts of credit commitments by categories are set out below. The amounts disclosed in respect of loan commitments and credit card commitments assume that amounts are fully drawn down. The amounts of guarantees, letters of credit and acceptances represent the maximum potential loss that would be recognized at the reporting date if counterparties failed to perform as contracted.

	30 June 2026	*31 December 2025*
Contractual amount		
Loan commitments		
- with an original maturity within one year	7,337	5,064
- with an original maturity of one year or above	50,006	58,422
Subtotal	57,343	63,486
Bank acceptances	1,014,361	833,848
Credit card commitments	743,009	792,650
Letters of guarantee issued	239,402	251,992
Letters of credit issued	386,312	367,804
Total	2,440,427	2,309,780

(b) Credit commitments analysed by credit risk weighted amount

	30 June 2026	*31 December 2025*
Credit risk weighted amount of credit commitments	750,229	684,030

The credit risk weighted amount refers to the amount as computed in accordance with the rules set out by the NFRA and depends on the status of counterparties and the maturity characteristics. The risk weighting used range from 0% to 150%.

(c) Capital commitments

The Group had the following authorised capital commitments at the reporting date:

	30 June 2026	*31 December 2025*
For the purchase of property and equipment		
- contracted for	1,047	997

49 Commitments and contingent liabilities (continued)

(d) Outstanding contingencies including litigation and disputes

The Group has assessed and has made provisions for any probable outflow of economic benefits in relation to commitments and contingent liabilities at the reporting date in accordance with its accounting policies including litigation and disputes.

As at 30 June 2026, the Group was involved in certain pending litigation as defendant with gross claims of RMB 960 million (as at 31 December 2025: RMB 1,588 million) and provision has been fully accrued. Such contingencies, including litigation and disputes, are not expected to have material impact on the financial position and operations of the Bank (Note 38).

(e) PRC treasury bonds redemption obligations

As an underwriting agent of PRC treasury 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 dates is based on the nominal 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 below represent the nominal value of treasury bonds underwritten and sold by the Group, but not yet matured at the reporting date:

	30 June 2026	*31 December 2025*
Redemption commitment for PRC treasury bonds	2,992	2,904

The original maturities of these bonds vary from one to five years. Management of the Group expects the amount of redemption before maturity dates of these bonds will not be material. The MOF will not provide funding for the early redemption of these bonds on a back-to-back basis, but will settle the principal and interest upon maturity.

(f) Underwriting obligations

As at 30 June 2026 and 31 December 2025, the Group did not have unfulfilled commitment in respect of securities underwriting business.

50 Collateral

(a) Assets pledged

(i) The carrying amount of financial assets pledged as collateral in the Group's ordinary course of businesses, including repurchase agreements and borrowings from central banks, are disclosed as below:

	30 June 2026	*31 December 2025*
Debt securities	649,744	631,813
Discounted bills	1,613	2,525
Others	170	-
Total	651,527	634,338

As at 30 June 2026 and 31 December 2025, the Group's liabilities related to the above collateral were due within 12 months from the effective dates of these agreements and title of these collateral was not transferred to counterparties.

(ii) In addition, as at 30 June 2026, the Group pledged deposits with banks and other financial institutions with carrying amount totalling RMB 1,071 million (31 December 2025: RMB 1,198 million) as collateral for derivative transactions and guarantee funds to exchanges. Title of these pledged assets was not transferred to counterparties.

(b) Collateral accepted

The Group received debt securities and bills as collateral for financial assets held under resale agreements as set out in Note 18. Under the terms of these agreements, the Group could not resell or re-pledge certain parts of these collateral unless in the event of default by the counterparties. As at 30 June 2026, the Group held no collateral that can be resold or re-pledged (31 December 2025: Nil). During the six months ended 30 June 2026, the Group did not resell or re-pledge any of these collateral (Six months ended 30 June 2025: Nil).

51 Transactions on behalf of customers

(a) Entrusted lending business

The Group provides entrusted lending business services to corporations and individuals, as well as entrusted provident housing fund mortgage business services. All entrusted loans are made under the instruction or at the direction of these corporations, individuals or provident housing fund centre and are funded by entrusted funds from them.

For entrusted assets and liabilities and entrusted provident housing fund mortgage business, the Group does not expose to credit risk in relation to these transactions, but acts as an agent to hold and manage these assets and liabilities at the instruction of the entrusting parties and receives fee income for the services provided.

Entrusted assets are not assets of the Group and are not recognized on the consolidated interim statement of financial position. Income received and receivable for providing these services is included in the consolidated interim statement of profit or loss as fee income.

51 Transactions on behalf of customers (continued)

At the reporting date, the entrusted assets and liabilities were as follows:

	30 June 2026	*31 December 2025*
Entrusted loans	415,951	418,963
Entrusted funds	415,951	418,963

(b) Wealth management services

The Group's wealth management primarily refers to non-principal guaranteed wealth management products sold to enterprises or individuals (Note 57(c)).

The funds raised by non-principal guaranteed wealth management products from investors are invested in various investments, including debt securities and money market instruments, credit assets and debt financing instruments, equity instruments etc. Credit risk, liquidity risk and interest rate risk associated with these products are borne by the customers. The Group only earns commission which represents the charges on customers in relation to the provision of custodian, sale and investment management. Income is recognized in the consolidated interim statement of profit or loss as commission income. The Group has entered into placements transactions at market interest rates with the wealth management products vehicles (Note 57 (c)).

As at 30 June 2026, the total investment of non-principal guaranteed wealth management products managed by the Group that was not included in the Group’s consolidated interim financial statements was disclosed in Note 57(c).

52 Segment reporting

Measurement of segment assets and liabilities, and segment income and expenses are based on the Group’s accounting policies.

Internal charges and transfer pricing of transactions between segments are determined for management purpose and have been reflected in the performance of each segment. Net interest income and expenses arising from internal charges and transfer pricing adjustments are referred to as “Internal net interest income/expenses”. Interest income and expenses earned from third parties are referred to as “External net interest income/expenses”.

Segment income, expense, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment assets and liabilities do not include deferred tax assets and liabilities. Segment income, expenses, assets, and liabilities are determined before intra-group balances, and intra-group transactions are eliminated as part of the consolidation process. Segment capital expenditure is the total costs incurred during the year to acquire assets (including both tangible assets and intangible assets) whose estimated useful lives are over one year.

52 Segment reporting (continued)

(a) Business segments

The Group has the following main business segments for management purpose:

Corporate banking

This segment represents the provision of a range of financial products and services to corporations, government agencies and non-financial institutions. The products and services include corporate loans, deposit activities, agency services, remittance and settlement services and guarantee services.

Personal banking

This segment represents the provision of a range of financial products and services to individual customers. The products and services comprise loans, deposit services, securities agency services, remittance and settlement services and guarantee services.

Treasury business

This segment conducts capital markets operations, inter-bank operations, which, specifically, includes inter-bank money market transactions, repurchase transactions, and investments and trading in debt instruments. Furthermore, treasury business segment also carries out derivatives and forex trading both for the Group and for customers.

Others and unallocated

Others comprise components of the Group that are not attributable to any of the above segments, along with certain assets, liabilities, income or expenses of the Head Office that could not be allocated on a reasonable basis. This segment also manages the Group’s liquidity position.

52 Segment reporting (continued)

	Six months ended 30 June 2026				
	Corporate Banking	*Personal Banking*	*Treasury Business*	*Others and Unallocated*	*Total*
External net interest income/(expense)	31,809	31,383	12,685	(2,728)	73,149
Internal net interest income/(expense)	10,116	(2,319)	(11,464)	3,667	-
Net interest income	41,925	29,064	1,221	939	73,149
Net fee and commission income/ (expense)	6,220	10,897	514	(401)	17,230
Other net income (Note (i))	2,391	288	15,693	1,658	20,030
Operating income	50,536	40,249	17,428	2,196	110,409
Operating expenses					
- depreciation and amortisation	(1,207)	(834)	(1,239)	(432)	(3,712)
- others	(12,244)	(13,093)	(542)	(679)	(26,558)
Credit impairment losses	(6,962)	(23,827)	(1,914)	(762)	(33,465)
Impairment losses on other assets	(1)	2	-	-	1
Revaluation loss on investment properties	-	-	-	(4)	(4)
Share of profits of associates and joint ventures	-	-	64	144	208
Profit before tax	30,122	2,497	13,797	463	46,879
Income tax					(8,700)
Profit for the period					38,179
Capital expenditure	9,493	86	131	1,042	10,752

	30 June 2026				
	Corporate Banking	*Personal Banking*	*Treasury Business*	*Others and Unallocated*	*Total*
Segment assets	3,666,254	2,297,838	3,665,562	690,644	10,320,298
Interest in associates and joint ventures	-	-	-	11,024	11,024
Deferred tax assets					52,517
Total asset					10,383,839
Segment liabilities	4,516,107	1,967,769	1,481,080	1,528,015	9,492,971
Deferred tax liabilities					70
Total liabilities					9,493,041
Off-balance sheet credit commitments	1,694,832	743,905	-	1,690	2,440,427

52 Segment reporting (continued)

	Six months ended 30 June 2025				
	Corporate Banking	*Personal Banking*	*Treasury Business*	*Others and Unallocated*	*Total*
External net interest income/(expense)	27,172	33,529	12,515	(2,015)	71,201
Internal net interest income/(expense)	13,706	(3,210)	(12,076)	1,580	-
Net interest income / (expense)	40,878	30,319	439	(435)	71,201
Net fee and commission income	6,647	9,709	448	20	16,824
Other net income (Note (i))	1,956	460	14,310	1,082	17,808
Operating income	49,481	40,488	15,197	667	105,833
Operating expenses					
- depreciation and amortisation	(1,158)	(887)	(1,246)	(439)	(3,730)
- others	(11,657)	(13,051)	(926)	(671)	(26,305)
Credit impairment losses	(7,657)	(20,953)	(672)	(288)	(29,570)
Impairment losses on other assets	(14)	(2)	-	-	(16)
Revaluation loss on investment properties	-	-	-	(49)	(49)
Share of profits of associates and joint ventures	-	-	-	459	459
Profit/(Loss) before tax	28,995	5,595	12,353	(321)	46,622
Income tax					(9,548)
Profit for the period					37,074
Capital expenditure	179	155	211	128	673

	31 December 2025				
	Corporate Banking	*Personal Banking*	*Treasury Business*	*Others and Unallocated*	*Total*
Segment assets	3,440,692	2,341,398	3,664,314	621,167	10,067,571
Interest in associates and joint ventures	-	-	-	8,787	8,787
Deferred tax assets					54,670
Total asset					10,131,028
Segment liabilities	4,343,100	1,896,862	1,135,341	1,907,967	9,283,270
Deferred tax liabilities					128
Total liabilities					9,283,398
Off-balance sheet credit commitments	1,516,391	793,389	-	-	2,309,780

Note:

(i) Other net income consists of net trading gain, net gain from investment securities, net hedging gain and other operating income.

52 Segment reporting (continued)

(b) Geographical segments

The Group operates principally in Mainland China with branches located in 31 provinces, autonomous regions and municipalities. The Bank's principal subsidiaries, CNCB Investment and CIFH are registered and operating in Hong Kong. The other subsidiaries, Lin'an Rural Bank, CITIC Wealth, CFLL and CITIC Financial Investment are registered and operating in Mainland China.

In presenting information by geographical segments, operating income is allocated based on the location of the branches that generated the revenue. Segment assets and capital expenditure are allocated based on the geographical location of the underlying assets.

Geographical segments, as defined for management reporting purposes, are as follows:

- "Yangtze River Delta" refers to the following areas where Tier-One branches of the Group are located: Shanghai, Nanjing, Suzhou, Hangzhou and Ningbo, as well as Lin'an Rural Bank and CITIC Wealth;

- "Pearl River Delta and West Strait" refers to the following areas where Tier-One branches of the Group are located: Guangzhou, Shenzhen, Fuzhou, Xiamen, and Haikou, as well as CITIC Financial Investment;

- "Bohai Rim" refers to the following areas where Tier-One branches of the Group are located: Beijing, Tianjin, Dalian, Qingdao, Shijiazhuang, Jinan and CFLL;

- "Central" region refers to the following areas where Tier-One branches of the Group are located: Hefei, Zhengzhou, Wuhan, Changsha, Taiyuan and Nanchang;

- "Western" region refers to the following areas where Tier-One branches of the Group are located: Chengdu, Chongqing, Xi'an, Kunming, Nanning, Hohhot, Urumqi, Guiyang, Lanzhou, Xining, Yinchuan and Lhasa;

- "North-eastern" region refers to the following areas where Tier-One branches of the Group is located: Shenyang, Changchun and Harbin;

- "Head Office" refers to the headquarters of the Bank and the Credit Card Center; and

- "Overseas" includes all the operations of London branch, Hong Kong branch, CNCB Investment, CIFH and its subsidiaries.

52 Segment reporting (continued)

	Six months ended 30 June 2026									
	Yangtze River Delta	*Pearl River Delta and West Strait*	*Bohai Rim*	*Central*	*Western*	*Northeastern*	*Head Office*	*Overseas*	*Elimination*	*Total*
External net interest income	19,299	6,002	3,388	7,659	8,527	324	24,145	3,805	-	73,149
Internal net interest (expense)/income	(1,278)	1,724	9,050	(439)	(2,089)	525	(7,536)	43	-	-
Net interest income	18,021	7,726	12,438	7,220	6,438	849	16,609	3,848	-	73,149
Net fee and commission income	3,577	910	1,803	774	441	56	8,227	1,442	-	17,230
Other net income (Note (i))	651	320	2,896	233	174	23	15,052	681	-	20,030
Operating income	22,249	8,956	17,137	8,227	7,053	928	39,888	5,971	-	110,409
Operating expense										
- depreciation and amortisation	(510)	(346)	(424)	(294)	(309)	(75)	(1,510)	(244)	-	(3,712)
- others	(5,271)	(2,725)	(5,262)	(2,778)	(2,476)	(499)	(5,487)	(2,060)	-	(26,558)
Credit impairment losses	(7,599)	(5,156)	(2,273)	(2,604)	(2,283)	(102)	(12,258)	(1,190)	-	(33,465)
Impairment losses on other assets	-	-	-	-	(1)	-	-	2	-	1
Revaluation loss on investment properties	-	-	-	-	-	-	-	(4)	-	(4)
Share of gains of associates and joint ventures	-	-	-	-	-	-	145	63	-	208
Profit before tax	8,869	729	9,178	2,551	1,984	252	20,778	2,538	-	46,879
Income tax										(8,700)
Profit for the period										38,179
Capital expenditure	36	59	9,410	38	53	2	1,120	34	-	10,752

52 Segment reporting (continued)

	30 June 2026									
	Yangtze River Delta	*Pearl River Delta and West Strait*	*Bohai Rim*	*Central*	*Western*	*Northeastern*	*Head Office*	*Overseas*	*Elimination*	*Total*
Segment assets	2,382,769	1,186,473	2,283,480	926,760	807,029	147,272	3,932,990	608,851	(1,955,326)	10,320,298
Interest in associates and joint ventures	-	-	-	-	-	-	9,655	1,369	-	11,024
Deferred tax assets										52,517
Total assets										10,383,839
Segment liabilities	2,418,447	1,207,333	2,143,363	935,760	783,685	143,475	3,273,923	542,311	(1,955,326)	9,492,971
Deferred tax liabilities										70
Total liabilities										9,493,041
Off-balance sheet credit commitments	503,376	316,910	288,360	339,657	199,984	20,194	735,003	36,943	-	2,440,427

52 Segment reporting (continued)

	Six months ended 30 June 2025									
	Yangtze River Delta	*Pearl River Delta and West Strait*	*Bohai Rim*	*Central*	*Western*	*Northeastern*	*Head Office*	*Overseas*	*Elimination*	*Total*
External net interest income	19,454	5,472	3,080	8,453	7,358	264	23,436	3,684	-	71,201
Internal net interest (expense)/income	(2,662)	1,820	9,574	(1,187)	(1,809)	539	(6,275)	-	-	-
Net interest income	16,792	7,292	12,654	7,266	5,549	803	17,161	3,684	-	71,201
Net fee and commission income	2,890	839	1,322	761	453	54	9,216	1,289	-	16,824
Other net income (Note (i))	579	310	1,581	341	218	50	13,563	1,166	-	17,808
Operating income	20,261	8,441	15,557	8,368	6,220	907	39,940	6,139	-	105,833
Operating expense										
- depreciation and amortisation	(519)	(384)	(451)	(332)	(342)	(82)	(1,328)	(292)	-	(3,730)
- others	(4,569)	(2,393)	(3,964)	(2,508)	(2,233)	(486)	(7,938)	(2,214)	-	(26,305)
Credit impairment losses	(8,263)	(5,233)	(3,578)	(5,907)	(2,555)	(440)	(2,530)	(1,064)	-	(29,570)
Impairment losses on other assets	-	-	-	(15)	1	-	-	(2)	-	(16)
Revaluation loss on investment properties	-	-	-	-	-	-	-	(49)	-	(49)
Share of gains of associates and joint ventures	-	-	-	-	-	-	453	6	-	459
Profit/(Loss) before tax	6,910	431	7,564	(394)	1,091	(101)	28,597	2,524	-	46,622
Income tax										(9,548)
Profit for the period										37,074
Capital expenditure	70	35	50	67	256	8	64	123	-	673

52 Segment reporting (continued)

	31 December 2025									
	Yangtze River Delta	*Pearl River Delta and West Strait*	*Bohai Rim*	*Central*	*Western*	*Northeastern*	*Head Office*	*Overseas*	*Elimination*	*Total*
Segment assets	2,211,466	1,134,174	2,161,594	901,305	795,978	141,031	3,810,953	563,102	(1,652,032)	10,067,571
Interest in associates and joint ventures	-	-	-	-	-	-	7,431	1,356	-	8,787
Deferred tax assets										54,670
Total assets										10,131,028
Segment liabilities	2,193,060	1,114,376	1,957,549	906,649	784,501	142,496	3,342,992	493,679	(1,652,032)	9,283,270
Deferred tax liabilities										128
Total liabilities										9,283,398
Off-balance sheet credit commitments	423,761	280,705	267,667	299,521	193,540	24,017	784,682	35,887	-	2,309,780

Note:

(i) Other net income consists of net trading gain, net gain from investment securities, net hedging gain and other operating income.

53 Financial risk management

This section presents information about the Group's exposure to and its management and control of risks, in particular the primary risks associated with its use of financial instruments:

- **Credit risk** Credit risk represents the potential loss that may arise from the failure of a customer or counterparty to meet its contractual obligations or commitments to the Group.

- **Market risk** Market risk arises from unfavorable changes in market prices (interest rate, exchange rate, stock price or commodity price) that lead to a loss of on-balance sheet or off-balance sheet business in the Group.

- **Liquidity risk** Liquidity risk arises when the Group, in meeting the demand of liabilities due and other payment obligations as well as the needs of normal business operations, is unable to sufficiently, timely and cost-effectively acquire funds.

- **Operational risk** Operational risk arises from internal procedures, personnel, IT systems, or external events, such risk includes legal risk, but excluding strategic risk and Reputational risk.

The Group adopts a combination of qualitative and quantitative methods to identify, measure, evaluate, monitor, report, control or mitigate various risks. The Group establishs risk management strategy, risk appetite, risk limits and various risk management policies and systems, monitors the implementation and conducts regular reinspections. To support risk reporting and management decision-making needs, the Group has implemented risk management information system that is compatible with comprehensive risk management. Internal auditors conduct audit supervision of the risk management system in accordance with relevant regulations and arrangements.

(a) Credit risk

Credit risk management

Credit risk refers to the risk of loss caused by default of debtor or counterparty. Credit risk also occurs when the Group makes unauthorized or inappropriate loans and advances to customers, financial commitments or investments. The credit risk exposures of the Group mainly arise from the Group's loans and advances to customers, bonds, interbank business, receivables, lease receivables, other debt investments, and other on-balance sheet assets, and also off-balance sheet items, such as credit commitments.

The Group has standardized management on the entire credit business process including loan application and its investigation, approval and granting of loan, and monitoring of non-performing loans. Through strictly standardized credit business process, strengthening the whole process management of pre-lending investigation, customer rating,examination and approval, loan review and post-lending monitoring, improving risk mitigating impact of collateral, accelerating the collection and disposal of non-performing loans, and promoting the upgrading and transformation of credit management system, the credit risk management of the Group has been comprehensively improved.

53 Financial risk management (continued)

The Group writes off financial asset when it cannot reasonably expect to recover all or part of the asset. Signs indicating that the recoverable amount cannot be reasonably expected to recover include: (1) the enforcement has been terminated, and (2) the Group's recovery method is to confiscate and dispose of the collateral, but the expected value of the collateral cannot cover the entire principal and interest.

In addition to the credit risk caused by credit assets, the Group manages the credit risk for treasury businesses through prudently selecting peers and other financial institutions with comparable credit levels as counterparties, balancing credit risk with returns on investment, comprehensively considering internal and external credit rating information, granting credit hierarchy, and using credit management system to review and adjust credit commitments on a timely basis, etc. In addition, the Group provides off-balance sheet commitment and guarantee businesses to customers, so it is possible for the Group to make payment on behalf of the customer in case of customer's default and bear risks similar to the loan. Therefore, the Group applies similar risk control procedures and policies to such business to reduce the credit risk.

Measurement of expected credit losses ("ECL")

The Group adopts the "expected credit loss model" on its debt instruments which are classified as financial assets measured at amortised cost and at fair value through other comprehensive income and off-balance sheet credit assets in accordance with the provisions of IFRS 9.

For financial assets that are included in the measurement of expected credit losses, the Group evaluates whether the credit risks of related financial assets have increased significantly since the initial recognition. The impairment model is used to measure their allowances for impairment losses respectively to recognize expected credit losses and their movements:

Stage 1: Financial assets with no significant increase in credit risk since initial recognition will be classified as "Stage 1" and the Group continuously monitors their credit risk. The loss allowance of financial assets in Stage 1 is measured based on the expected credit losses in the next 12 months, which represent the proportion of the lifetime expected credit losses that may arise from possible default events in the next 12 months.

Stage 2: If there is a significant increase in credit risk from initial recognition but not has been credit-impaired, the Group transfers the related financial assets to Stage 2, but does not consider them as credit-impaired instruments. The expected credit losses of financial assets in Stage 2 are measured based on the lifetime expected credit losses.

Stage 3: If a financial asset has been credit-impaired, it will be moved to Stage 3. The expected credit losses of financial assets in Stage 3 are measured based on the lifetime expected credit losses.

Purchased or originated credit-impaired financial assets refers to financial assets that are credit-impaired at initial recognition. Allowance for impairment losses on these assets are the lifetime expected credit losses.

53 Financial risk management (continued)

The Group measures ECLs of financial assets through measuring models including the risk parameters model and discounted cash flows model. The risk parameters model method is applicable to the financial assets in Stages 1 and 2. Both the risk parameter model and discounted cash flows model are applicable to the Stage 3 financial assets.

The discounted cash flow model is used to calculate the impairment allowance for an asset based on the regular forecasts of the future cash flows of the asset. At each measurement date, the Group makes forecasts of the future cash inflows of the asset in different periods and in different scenarios, applies probability weightings to obtain the weighted averages of the future cash flows, applies appropriate discount rates to the weighted averages and adds these discounted weighted averages to obtain the present value of the future cash inflows.

The risk parameter model has two main components: 1) the assessment methods under the Internal Rating-Based (IRB) approach to measure expected credit losses using key parameters, such as probability of default (PD) and loss given default (LGD).Where calculation of PD and LGD proves difficult for certain financial assets, the loss-rate model may be adopted to measure expected credit losses; and 2) the forward-looking adjustment model for multi-scenario forecasts.

The key judgments involved and assumptions adopted by the Group in assessing expected credit losses are as follows:

(1) Grouping of risks

According to the nature of the businesses, the Group mainly divides its financial assets into three major categories, i. e., corporate assets, individual loan assets and credit card assets according to the asset categories, and further divides them into risk groups in light of their credit risk characteristics, including the industries in which the customers operate and product type.

(2) Significant increase in credit risk

On each balance sheet date, the Group evaluates whether the credit risk of the relevant financial instruments has increased significantly since the initial recognition. When one or more quantitative or qualitative threshold are triggered, the credit risk of financial instruments would be considered as having increased significantly.

By setting quantitative and qualitative criteria, the Group determines whether the credit risk of financial instruments has increased significantly since initial recognition. The criteria mainly include days past due, the absolute level and relative level of default probability changes, changes in credit risk classification and other circumstances indicating significant changes in credit risk.

53 Financial risk management (continued)

(3) Definition of credit-impaired assets

When one or more events that significant adversely affect the expected future cash flow of a financial asset occurs, the financial asset becomes a credit-impaired financial asset. Evidence of credit-impaired financial assets includes the following observable information:

- The issuer or borrower is in significant financial difficulties;
- The borrower is in breach of financial covenant(s) such as default or overdue in repayment of interests or principal etc.;
- The creditor gives the debtor concession that would not be offered otherwise, considering for economic or contractual reasons relating to the debtor's financial difficulties;
- It is becoming probably that the borrower will enter bankruptcy or other financial restructuring;
- An active market for that financial asset has disappeared because of financial difficulties from issuer or borrower;
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

(4) Inputs for measurement of expected credit losses

The expected credit loss is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred or whether an asset is considered to be credit-impaired. Related definitions are as follows:

- The probability of default ("PD") represents the likelihood of a borrower defaulting on its financial obligations, either over the next 12 months or over the remaining lifetime of the obligation.
- Loss given default ("LGD") represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim, and collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default.
- Exposure at default ("EAD") is based on the amounts that the Group expects to be owned at the time of default, over the next 12 months or over the remaining lifetime of the obligation.

The Group regularly monitors and reviews the assumptions related to the calculation of ECL, including the PDs for various maturities and the changes in the values of collateral over time.

53 Financial risk management (continued)

The Group classifies exposures with similar risk characteristics into groups and collectively estimates their risk parameters, including PDs, LGDs, and EADs. In the first half of 2026, based on data accumulation, the Group optimized and updated the relevant models and parameters. The Group has obtained sufficient information to ensure its statistical reliability.The Group makes allowances for its expected credit losses based on on-going assessment of and follow-up on changes in its customers and their financial assets on an individual basis.

(5) Forward-looking information

The assessment of significant increases in credit risk and the calculation of expected credit losses both involve forward-looking information. Based on historical analysis , the Group has identified the key economic variables impacting expected credit losses for various risk groups.

These economic variables have different impacts on the probabilities of default and the losses given default of different risk groups. The Group makes, forecasts of these economic indicators at least semi-annually. In this process, the Group also resorts to expert judgment, and combines expert judgment to determine the impact of these economic variables on the probabilities of default and the losses given default.

In addition to the neutral economic scenario, the Group determines the possible scenarios and their weightings by a combination of statistical analysis and expert judgment. The Group measures expected credit losses as either a probability weighted 12 months expected credit losses (Stage 1) or a probability weight lifetime expected credit losses (Stage 2 and Stage 3). These probability-weighted expected credit losses are determined by running each scenario through the relevant expected credit losses model and multiplying it by the appropriate scenario weighting.

Macroeconomic scenario and weighting information

The Group has performed historical analysis and identified the key economic variables impacting credit risk and ECL for each portfolio. Based on comprehensive considerations of internal and external data expert forecasts, and the best estimate of future outcomes, the Group makes regular forecasts of the domestic macro indicators in three macro-economic scenarios, i.e., the positive, neutral, and negative scenarios, to determine the coefficients for forward-looking adjustments. Neutral is defined as the most likely to happen in the future, as compared to other scenarios. Positive scenario and negative scenario represent the likely scenario that is better off or worse off as compared to the neutral scenario.

The Group reassessed and updated the key economic indicators affecting ECLs and their estimates during the reporting period based on the latest historical data. The economic indicators currently applied in the neutral scenario, including consumer price index , currency in circulation and per capita consumption expenditure of urban residents , etc., are basically consistent with the forecasts of research institutions.

53 Financial risk management (continued)

As at 30 June 2026, considered different macroeconomic scenarios and the key macroeconomic scenario assumptions uesd in estimating ECL are set out below:

Variables	*Range*
Consumer Price Index (year-on-year growth,monthly)	1.04%-1.96%
Currency in Circulation (year-on-year growth,monthly)	7.19%-13.40%
Per capita Consumption Expenditure of Urban Residents (cumulative year-on-year growth)	(0.59%)-4.94%

Following this assessment, the Group measures ECL as a weighted average probability of ECL in the next 12-month under the three scenarios for Stage 1 financial instruments; and a weighted average probability of lifetime ECL for Stage 2 and 3 financial instruments.

(6) Sensitivity information and management overlay

Changes to the inputs and forward-looking information used in ECL measurement will affect the assessment of significant increase in credit risk and the measurement expected of credit losses.

As at 30 June 2026, assuming a 10% increase in the weighting of the positive scenario and a 10% decrease in the weighting of the neutral scenario, the Group’s credit impairment losses would be reduced by no more than 5% of the current credit impairment losses; assuming a 10% increase in the weighting of the negative scenario and a 10% decrease in the weighting of the neutral scenario, the Group’s credit impairment losses would increase by no more than 5% of the current credit impairment losses.

As at 30 June 2026, assuming an overall increase or decrease of 5% in the macroeconomic factors, the change to the impairment loss allowances for the main credit assets of the Group would not exceed 10% of the current impairment loss allowances.

53 Financial risk management (continued)

(i) Maximum credit risk exposure

The maximum exposure to credit risk at the reporting date without taking into consideration of any collateral held or other credit enhancement is represented by the net balance of each type of financial assets in the consolidated interim statement of financial position after deducting any allowance for impairment losses. A summary of the maximum exposure is as follows:

	30 June 2026				
	Stage 1	*Stage 2*	*Stage 3*	*Not applicable*	*Total*
Balances with central banks	519,319	-	-	-	519,319
Deposits with bank and non-bank financial institutions	82,428	-	-	-	82,428
Placements with and loans to banks and non-bank financial institutions	411,408	-	-	9,434	420,842
Derivative financial assets	-	-	-	51,766	51,766
Financial assets held under resale agreements	106,478	-	-	6,892	113,370
Loans and advances to customers	5,763,677	102,928	23,394	351	5,890,350
Financial investments					
- at fair value through profit or loss	-	-	-	725,042	725,042
- at amortised cost	1,337,244	13,403	17,571	-	1,368,218
- at fair value through other comprehensive income	916,738	130	214	-	917,082
- designated at fair value through other comprehensive income	-	-	-	8,148	8,148
Other financial assets	27,816	11,215	3,595	-	42,626
Subtotal	9,165,108	127,676	44,774	801,633	10,139,191
Credit commitments	2,438,936	1,408	83	-	2,440,427
Maximum credit risk exposure	11,604,044	129,084	44,857	801,633	12,579,618

53 Financial risk management (continued)

	31 December 2025				
	Stage 1	*Stage 2*	*Stage 3*	*Not applicable*	*Total*
Balances with central banks	382,433	-	-	-	382,433
Deposits with bank and non-bank financial institutions	141,197	-	-	-	141,197
Placements with and loans to banks and non-bank financial institutions	430,296	-	-	15,802	446,098
Derivative financial assets	-	-	-	41,026	41,026
Financial assets held under resale agreements	168,324	-	-	1,316	169,640
Loans and advances to customers	5,604,910	106,665	20,029	15,267	5,746,871
Financial investments					
- at fair value through profit or loss	-	-	-	678,778	678,778
- at amortised cost	1,285,842	8,799	18,259	-	1,312,900
- at fair value through other comprehensive income	926,661	47	205	-	926,913
- designated at fair value through other comprehensive income	-	-	-	8,234	8,234
Other financial assets	19,390	11,220	559	-	31,169
Subtotal	8,959,053	126,731	39,052	760,423	9,885,259
Credit commitments	2,307,792	1,903	85	-	2,309,780
Maximum credit risk exposure	11,266,845	128,634	39,137	760,423	12,195,039

The Group classifies credit risk grades of assets based on their asset quality and risk characteristics. “Low Risk” refers to assets with sound asset quality, for which there are no sufficient reasons to suspect that events of failure to repay debts as contractually agreed or other breaches of debt agreements that would have a material impact on the normal repayment of debts will occur. “Medium Risk” refers to assets with factors that may have a relatively significant adverse impact on the normal repayment of debts, but no events that have a material impact on the normal repayment of debts have occurred. “High Risk” refers to assets where events of failure to repay debts as contractually agreed or other breaches of debt agreements that have a material impact on the normal repayment of debts have occurred.

53 Financial risk management (continued)

Loans and advances to customers

	30 June 2026			
Credit Rating	*Stage 1 12 months expected credit losses*	*Stage 2 lifetime expected credit losses*	*Stage 3 lifetime expected credit losses*	*Total*
Low risk	5,828,138	26,496	-	5,854,634
Medium risk	2	108,184	-	108,186
High risk	-	-	69,330	69,330
Gross balance	5,828,140	134,680	69,330	6,032,150
Allowance for impairment losses (Notes (i))	(64,463)	(31,752)	(45,936)	(142,151)
Total carrying amount of loans and advances to customers affected by credit risk	5,763,677	102,928	23,394	5,889,999

	31 December 2025			
Credit Rating	*Stage 1 12 months expected credit losses*	*Stage 2 lifetime expected credit losses*	*Stage 3 lifetime expected credit losses*	*Total*
Low risk	5,668,076	32,923	-	5,700,999
Medium risk	2	101,413	87	101,502
High risk	-	-	68,291	68,291
Gross balance	5,668,078	134,336	68,378	5,870,792
Allowance for impairment losses (Notes (i))	(63,168)	(27,671)	(48,349)	(139,188)
Total carrying amount of loans and advances to customers affected by credit risk	5,604,910	106,665	20,029	5,731,604

53 Financial risk management (continued)

Financial assets at amortised cost

	30 June 2026			
Credit Rating	*Stage 1 12 months expected credit losses*	*Stage 2 lifetime expected credit losses*	*Stage 3 lifetime expected credit losses* (Notes (ii))	*Total*
Low risk	1,338,796	7,039	-	1,345,835
Medium risk	-	8,749	-	8,749
High risk	-	-	39,535	39,535
Gross balance	1,338,796	15,788	39,535	1,394,119
Allowance for impairment losses	(1,552)	(2,385)	(21,964)	(25,901)
Total carrying amount of financial assets at amortised cost affected by credit risk	1,337,244	13,403	17,571	1,368,218

	31 December 2025			
Credit Rating	*Stage 1 12 months expected credit losses*	*Stage 2 lifetime expected credit losses*	*Stage 3 lifetime expected credit losses* (Notes (ii))	*Total*
Low risk	1,287,700	1,687	-	1,289,387
Medium risk	-	8,660	-	8,660
High risk	-	-	39,817	39,817
Gross balance	1,287,700	10,347	39,817	1,337,864
Allowance for impairment losses	(1,858)	(1,548)	(21,558)	(24,964)
Total carrying amount of financial assets at amortised cost affected by credit risk	1,285,842	8,799	18,259	1,312,900

53 Financial risk management (continued)

Financial assets at fair value through other comprehensive income

	30 June 2026			
Credit Rating	*Stage 1 12 months expected credit losses*	*Stage 2 lifetime expected credit losses*	*Stage 3 lifetime expected credit losses*	*Total*
Low risk	916,738	130	-	916,868
Medium risk	-	-	2	2
High risk	-	-	212	212
Gross balance	916,738	130	214	917,082
Allowance for impairment losses	(1,567)	(9)	(923)	(2,499)
Total carrying amount of financial assets at fair value through other comprehensive income affected by credit risk	916,738	130	214	917,082

	31 December 2025			
Credit Rating	*Stage 1 12 months expected credit losses*	*Stage 2 lifetime expected credit losses*	*Stage 3 lifetime expected credit losses*	*Total*
Low risk	926,661	47	-	926,708
Medium risk	-	-	-	-
High risk	-	-	205	205
Gross balance	926,661	47	205	926,913
Allowance for impairment losses	(1,854)	(6)	(939)	(2,799)
Total carrying amount of financial assets at fair value through other comprehensive income affected by credit risk	926,661	47	205	926,913

Notes:

(i) Loans and advances to customers include loans and advances to customers measured at fair value through other comprehensive income, and its corresponding impairment are not included in the “Allowance for impairment losses” as shown in the table.

(ii) Claims in Stage 3 mainly represent investment management products and trust investment plans (Note 53(a)(viii)).

53 Financial risk management (continued)

(ii) Measurement of expected credit losses

The following table shows the movement in carrying value of loans and advances to customers in current reporting period / year:

	Six months ended 30 June 2026		
	Stage 1	*Stage 2*	*Stage 3*
As at 1 January 2026	5,668,078	134,336	68,378
Movements			
Net transfers out from Stage 1	(92,440)	-	-
Net transfers into Stage 2	-	51,068	-
Net transfers into Stage 3	-	-	41,372
Net transactions incurred during the period (Note (i))	260,973	(51,743)	(8,674)
Write-off	-	-	(30,913)
Others (Note (ii))	(8,471)	1,019	(833)
As at 30 June 2026	5,828,140	134,680	69,330

	Year ended 31 December 2025		
	Stage 1	*Stage 2*	*Stage 3*
As at 1 January 2025	5,539,487	121,006	69,738
Movements			
Net transfers out from Stage 1	(105,000)	-	-
Net transfers into Stage 2	-	26,519	-
Net transfers into Stage 3	-	-	78,481
Net transactions incurred during the year (Note (i))	242,107	(14,077)	(14,339)
Write-off	-	-	(65,584)
Others (Note (ii))	(8,516)	888	82
As at 31 December 2025	5,668,078	134,336	68,378

53 Financial risk management (continued)

The following table shows the movement in carrying value of financial investment in current reporting period / year:

	Six months ended 30 June 2026		
	Stage 1	*Stage 2*	*Stage 3*
As at 1 January 2026	2,214,361	10,394	40,022
Movements			
Net transfers out from Stage 1	(4,367)	-	-
Net transfers into Stage 2	-	4,367	-
Net transfers into Stage 3	-	-	-
Net transactions incurred during the period (Note (i))	53,177	53	(264)
Write-off	-	-	(3)
Others (Note (ii))	(7,637)	1,104	(6)
As at 30 June 2026	2,255,534	15,918	39,749

	Year ended 31 December 2025		
	Stage 1	*Stage 2*	*Stage 3*
As at 1 January 2025	1,939,014	10,211	45,710
Movements			
Net transfers into Stage 1	25	-	-
Net transfers out from Stage 2	-	(1,440)	-
Net transfers into Stage 3	-	-	1,415
Net transactions incurred during the year (Note (i))	283,912	1,298	(4,038)
Write-off	-	-	(3,094)
Others (Note (ii))	(8,590)	325	29
As at 31 December 2025	2,214,361	10,394	40,022

Notes:

(i) Net transactions during the period/year mainly include changes in carrying amount due to purchase, origination, or derecognition (excluding write-offs).

(ii) Others include changes in accrued interest receivables and effect of exchange differences during the period/year.

53 Financial risk management (continued)

The following table shows the movement in allowance for impairment of loans and advances to customers in current reporting period / year:

	Six months ended 30 June 2026		
	Stage 1	*Stage 2*	*Stage 3*
As at 1 January 2026	63,684	27,673	48,349
Movements (Note (i))			
Net transfers out from Stage 1	(3,188)	-	-
Net transfers into Stage 2	-	5,784	-
Net transfers into Stage 3	-	-	18,235
Net transactions incurred during the period (Note (ii))	4,880	(2,272)	(4,062)
Changes in parameters for the period (Note (iii))	(495)	319	11,739
Write-off	-	-	(30,913)
Others (Note (iv))	(173)	248	2,588
As at 30 June 2026	64,708	31,752	45,936

	Year ended 31 December 2025		
	Stage 1	*Stage 2*	*Stage 3*
As at 1 January 2025	62,586	29,454	48,902
Movements (Note (i))			
Net transfers out from Stage 1	(2,939)	-	-
Net transfers into Stage 2	-	1,553	-
Net transfers into Stage 3	-	-	27,880
Net transactions incurred during the year (Note (ii))	7,438	(2,470)	(6,075)
Changes in parameters for the year (Note (iii))	(3,319)	(961)	29,923
Write-off	-	-	(65,584)
Others (Note (iv))	(82)	97	13,303
As at 31 December 2025	63,684	27,673	48,349

53 Financial risk management (continued)

The following table shows the movement in allowance for impairment of financial investment in current reporting period / year:

	Six months ended 30 June 2026		
	Stage 1	*Stage 2*	*Stage 3*
As at 1 January 2026	3,712	1,554	22,497
Movements (Note (i))			
Net transfers out from Stage 1	(192)	-	-
Net transfers into Stage 2	-	192	-
Net transfers into Stage 3	-	-	-
Net transactions incurred during the period (Note (ii))	(32)	9	(93)
Changes in parameters for the period (Note (iii))	(325)	573	523
Write-off	-	-	(3)
Others (Note (iv))	(44)	66	(37)
As at 30 June 2026	3,119	2,394	22,887

	Year ended 31 December 2025		
	Stage 1	*Stage 2*	*Stage 3*
As at 1 January 2025	3,688	1,046	23,989
Movements (Note (i))			
Net transfers into Stage 1	38	-	-
Net transfers out from Stage 2	-	(457)	-
Net transfers into Stage 3	-	-	419
Net transactions incurred during the year (Note (ii))	302	267	(16)
Changes in parameters for the year (Note (iii))	(304)	522	1,111
Write-off	-	-	(3,094)
Others (Note (iv))	(12)	176	88
As at 31 December 2025	3,712	1,554	22,497

Notes:

(i) Movements in allowance for impairment during the period/year mainly include the impact of stage changes on the measurement of ECLs.

(ii) Net transactions during the period/year mainly include changes in allowance for impairment due to financial assets purchased newly originated, purchased or derecognized (excluding write-offs).

(iii) Changes in parameters mainly include changes in risk exposures and the impacts on ECLs due to changes in PDs and LGDs following regular updates on modelling parameters rather than stages movements.

(iv) Others include recovery of loans written off, changes of impairment losses of accrued interest, and effect of exchange differences.

53 Financial risk management (continued)

(iii) Loans and advances to customers analysed by industry sector:

	30 June 2026			*31 December 2025*		
	Gross balance	*%*	*Loans and advances secured by collateral*	*Gross balance*	*%*	*Loans and advances secured by collateral*
Corporate loans						
- manufacturing	781,201	12.9	226,568	688,361	11.7	219,571
- rental and business services	640,904	10.6	190,218	626,095	10.6	178,026
- water, environment and public utility management	463,891	7.7	94,975	436,457	7.4	92,427
- wholesale and retail	280,835	4.7	84,211	262,739	4.5	90,427
- real estate	278,223	4.6	204,435	297,453	5.1	206,133
- transportation, storage and postal services	182,564	3.0	73,640	169,056	2.9	69,030
- production and supply of electric power, heat, gas and water	163,145	2.7	58,021	149,524	2.5	51,719
- construction	135,044	2.2	30,474	133,624	2.3	32,642
- financial industry	127,303	2.1	10,831	113,036	1.9	10,720
- Information transmission, software and information technology services	103,584	1.7	34,329	82,258	1.4	26,476
- others	351,109	6.0	91,768	334,602	5.7	87,551
Subtotal	3,507,803	58.2	1,099,470	3,293,205	56.0	1,064,722
Personal loans	2,330,649	38.6	1,651,567	2,366,798	40.2	1,656,013
Discounted bills	170,189	2.8	-	202,169	3.4	-
Accrued interest	23,860	0.4	-	23,887	0.4	-
Gross loans and advances to customers	6,032,501	100.0	2,751,037	5,886,059	100.0	2,720,735

(iv) Loans and advances to customers analysed by geographical sector:

	30 June 2026			*31 December 2025*		
	Gross balance	*%*	*Loans and advances secured by collateral*	*Gross balance*	*%*	*Loans and advances secured by collateral*
Yangtze River Delta	1,824,010	30.2	833,135	1,746,150	29.6	822,600
Bohai Rim (including Head Office)	1,442,473	23.9	488,256	1,399,571	23.8	478,514
Pearl River Delta and West Strait	861,632	14.3	513,133	847,259	14.4	502,282
Central	822,047	13.6	391,243	818,539	13.9	400,725
Western	741,346	12.3	388,072	734,236	12.5	376,861
Northeastern	75,898	1.3	44,865	82,593	1.4	46,461
Outside Mainland China	241,235	4.0	92,333	233,824	4.0	93,292
Accrued interest	23,860	0.4	-	23,887	0.4	-
Total	6,032,501	100.0	2,751,037	5,886,059	100.0	2,720,735

53 Financial risk management (continued)

(v) Loans and advances to customers analysed by type of security

	30 June 2026	*31 December 2025*
Unsecured loans	1,891,991	1,785,310
Guaranteed loans	1,195,424	1,153,958
Secured loans	2,751,037	2,720,735
- loans secured by collateral	2,246,332	2,258,793
- pledged loans	504,705	461,942
Subtotal	5,838,452	5,660,003
Discounted bills	170,189	202,169
Accrued interest	23,860	23,887
Gross loans and advances to customers	6,032,501	5,886,059

(vi) Rescheduled loans and advances to customers

	30 June 2026		*31 December 2025*	
	Gross balance	*% of total loans and advances*	*Gross balance*	*% of total loans and advances*
Rescheduled loans and advances	43,184	0.72%	37,731	0.64%
- rescheduled loans and advances overdue more than 3 months	9,243	0.15%	4,270	0.07%

Rescheduled loans and advances are those loans and advances to customers which have been restructured or renegotiated because of deterioration in the financial position of the borrowers, or of the inability of the borrower to meet the original repayment schedule and for which the revised repayment terms are a concession that the Group would not otherwise consider. As of 30 June 2026, the Group’s concession given under renegotiation with borrowers or court rulings as a result of deterioration in financial position of borrowers is not significant.

53 Financial risk management (continued)

(vii) Debt securities analysed by credit rating

The group manages credit risk of its debt instruments portfolio using credit ratings obtained from major rating agencies where the debt instruments are issued. As at 30 June 2026 and 31 December 2025, debt instruments analysed by rating as at the end of the reporting period are as follows:

	30 June 2026					
	Unrated (Note (i))	*AAA*	*AA*	*A*	*Below A*	*Total*
Bonds issued by:						
- governments	830,627	694,225	40,681	13,099	910	1,579,542
- policy banks	201	-	-	104,529	-	104,730
- public entities	-	-	15,306	68	577	15,951
- banks and non-bank financial institutions	31,878	222,774	35,295	64,600	13,942	368,489
- corporates	22,871	162,978	37,445	25,678	22,720	271,692
Investment management products managed by securities companies	19,222	-	-	-	-	19,222
Trust investment plans	172,586	-	-	-	-	172,586
Total	1,077,385	1,079,977	128,727	207,974	38,149	2,532,212

	31 December 2025					
	Unrated (Note (i))	*AAA*	*AA*	*A*	*Below A*	*Total*
Bonds issued by:						
- governments	831,766	619,500	32,948	1,874	260	1,486,348
- policy banks	5,954	-	-	165,024	-	170,978
- public entities	-	-	13,847	-	51	13,898
- banks and non-bank financial institutions	35,628	266,239	30,496	56,605	10,621	399,589
- corporates	22,210	108,905	32,042	25,560	22,232	210,949
Investment management products managed by securities companies	23,226	-	-	-	-	23,226
Trust investment plans	169,511	-	-	-	-	169,511
Total	1,088,295	994,644	109,333	249,063	33,164	2,474,499

Note:

(i) Unrated debt securities held by the Group are primarily bonds issued by the Chinese government, policy banks, banks, non-bank financial institutions, investment management products managed by securities companies and trust investment plans.

53 Financial risk management (continued)

(viii) Investment management products managed by securities companies and trust investment plans analysed by type of underlying assets at amortised cost

	30 June 2026	*31 December 2025*
Investment management products managed by securities companies and trust investment plans		
- credit assets	203,666	204,128
Total	203,666	204,128

The Group puts investment management products managed by securities companies and trust investment plans into comprehensive credit management system, to manage its credit risk exposure in a holistic manner. The type of security of credit assets includes guarantee, secured by collateral, and pledge.

(b) Market risk

Market risk refers to risks that may cause a loss of on-balance sheet and off-balance sheet businesses for the Group due to the adverse movement of market prices, including interest rates, foreign exchange rates, stock prices and commodity prices. The Group has established a market risk management system that formulates procedures to identify, measure, supervision, control and report market risks. This system manages market risk through product admission approval and limit management, effectively preventing market risk, controlling market risk within a reasonable range, and achieving a reasonable balance between risk and return.

Management of the Group is responsible for formulating market risk management policies, establishing appropriate organizational structure and information systems to effectively identify, measure, monitor, control and report market risks, and ensuring adequate resources to reinforce the market risk management. The Risk Management Department is responsible for independently managing and controlling market risks of the Group, including developing market risk management policies and risk limits, providing independent report of market risk to identify, measure and monitor the Group’s market risk. Business departments are responsible for the day-to-day management of market risks, including effectively identifying, measuring, controlling market risk factors associated with the relevant operations, so as to ensure the dynamic balance between business development and risk undertaking.

The Group uses sensitivity analysis, foreign exchange exposure and interest rate re-pricing gap analysis as the primary instruments to monitor market risk.

Interest rate risk and currency risk are the major market risks that the Group is exposed to.

Interest rate risk

The Group’s interest rate exposures mainly arise from the mismatching of assets and liabilities’ re-pricing dates, as well as the effect of interest rate volatility on trading positions.

53 Financial risk management (continued)

The Group primarily uses gap analysis to assess and monitor its re-pricing risk and adjust the ratio of floating and fixed rate exposures, the loan re-pricing cycle, as well as optimization of the term structure of its deposits accordingly.

The Group implements various methods, such as duration analysis, sensitivity analysis, stress testing and scenario simulation, to measure, manage and report the interest rate risk on a regular basis.

The following tables summarise the average interest rates, and the next re-pricing dates or contractual maturity date whichever is earlier for the assets and liabilities as at the end of each reporting date.

	30 June 2026						
	Average interest rate (Note (i))	*Total*	*Non-interest bearing*	*Less than three months*	*Between three months and one year*	*Between one and five years*	*More than five years*
Assets							
Cash and balances with central banks	1.55%	523,466	30,056	493,410	-	-	-
Deposits with banks and non-bank financial institutions	1.07%	82,428	170	81,556	702	-	-
Placements with and loans to banks and non-bank financial institutions	2.10%	420,842	1,262	168,447	199,446	51,687	-
Financial assets held under resale agreements	1.39%	113,370	17	113,353	-	-	-
Loans and advances to customers (Note (ii))	3.41%	5,890,350	21,506	3,242,693	2,259,678	323,208	43,265
Financial investment							
- at fair value through profit or loss		725,042	478,130	22,220	82,109	91,601	50,982
- at amortised cost	2.24%	1,368,218	14,318	96,146	200,395	582,047	475,312
- at fair value through other comprehensive income	2.47%	917,082	5,354	91,789	81,049	415,620	323,270
- designated at fair value through other comprehensive income		8,148	8,148	-	-	-	-
Others		334,893	334,893	-	-	-	-
Total assets		10,383,839	893,854	4,309,614	2,823,379	1,464,163	892,829

53 Financial risk management (continued)

	30 June 2026						
	Average interest rate (Note (i))	*Total*	*Non-interest bearing*	*Less than three months*	*Between three months and one year*	*Between one and five years*	*More than five years*
Liabilities							
Borrowings from central banks	1.62%	218,517	1,961	50,107	166,449	-	-
Deposits from banks and non-bank financial institutions	1.34%	1,226,651	5,246	935,942	285,463	-	-
Placements from banks and non-bank financial institutions	2.27%	151,247	419	84,553	58,467	2,870	4,938
Financial liabilities at fair value through profit or loss		8,658	-	-	10	2,788	5,860
Financial assets sold under repurchase agreements	1.84%	299,945	922	273,702	25,321	-	-
Deposits from customers	1.24%	6,336,499	181,494	3,539,336	1,414,582	1,198,663	2,424
Debt securities issued	1.81%	1,089,183	2,434	306,189	554,331	156,233	69,996
Lease liabilities	3.51%	9,897	-	1,975	1,782	5,362	778
Others		152,444	127,874	24,570	-	-	-
Total liabilities		9,493,041	320,350	5,216,374	2,506,405	1,365,916	83,996
Interest rate gap		890,798	573,504	(906,760)	316,974	98,247	808,833

53 Financial risk management (continued)

	31 December 2025						
	Average interest rate (Note (i))	*Total*	*Non-interest bearing*	*Less than three months*	*Between three months and one year*	*Between one and five years*	*More than five years*
Assets							
Cash and balances with central banks	1.61%	386,916	21,632	365,284	-	-	-
Deposits with banks and non-bank financial institutions	1.50%	141,197	209	137,902	2,759	327	-
Placements with and loans to banks and non-bank financial institutions	2.29%	446,098	1,691	188,883	194,237	61,287	-
Financial assets held under resale agreements	1.62%	169,640	22	169,618	-	-	-
Loans and advances to customers (Note (ii))	3.67%	5,746,871	21,037	3,633,206	1,746,610	306,952	39,066
Financial investment							
- at fair value through profit or loss		678,778	444,092	38,898	67,346	59,137	69,305
- at amortised cost	2.67%	1,312,900	12,715	144,737	205,790	591,703	357,955
- at fair value through other comprehensive income	2.43%	926,913	6,517	101,627	141,382	405,951	271,436
- designated at fair value through other comprehensive income		8,234	8,234	-	-	-	-
Others		313,481	313,481	-	-	-	-
Total assets		10,131,028	829,630	4,780,155	2,358,124	1,425,357	737,762

53 Financial risk management (continued)

	31 December 2025						
	Average interest rate (Note (i))	*Total*	*Non-interest bearing*	*Less than three months*	*Between three months and one year*	*Between one and five years*	*More than five years*
Liabilities							
Borrowings from central banks	1.90%	204,025	1,443	43,733	158,849	-	-
Deposits from banks and non-bank financial institutions	1.41%	936,672	3,710	695,427	237,535	-	-
Placements from banks and non-bank financial institutions	2.46%	159,013	605	107,112	45,540	2,461	3,295
Financial liabilities at fair value through profit or loss		1,296	-	-	-	1,137	159
Financial assets sold under repurchase agreements	1.78%	477,502	683	410,321	66,498	-	-
Deposits from customers	1.52%	6,127,012	177,993	3,673,105	1,187,172	1,088,742	-
Debt securities issued	1.99%	1,214,339	2,911	477,103	510,878	153,451	69,996
Lease liabilities	3.92%	10,249	-	742	1,874	6,740	893
Others		153,290	146,711	6,579	-	-	-
Total liabilities		9,283,398	334,056	5,414,122	2,208,346	1,252,531	74,343
Interest rate gap		847,630	495,574	(633,967)	149,778	172,826	663,419

Notes:

(i) Average interest rate represents the ratio of interest income/expense to average interest-bearing assets / liabilities during the year.

(ii) For loans and advances to customers, the “Less than three months” category includes overdue amounts (net of allowance for impairment losses) of RMB46,014 million as at 30 June 2026 (as at 31 December 2025: RMB35,151 million).

53 Financial risk management (continued)

The Group uses sensitivity analysis to measure the potential effect of changes in interest rates on the Group's net interest income and other comprehensive income. The following table sets forth the results of the Group's interest rate sensitivity analysis as at 30 June 2026 and 31 December 2025.

	30 June 2026		*31 December 2025*	
	Net interest Income	*Other comprehensive income*	*Net interest Income*	*Other comprehensive income*
+100 basis points	(6,690)	(4,291)	(5,216)	(3,927)
- 100 basis points	6,690	4,291	5,216	3,927

This sensitivity analysis is based on a static interest rate risk profile of the Group's non-derivative assets and liabilities and certain assumptions as discussed below. The analysis measures only the impact of changes in interest rates within one year, showing how annualized interest income would have been affected by repricing of the Group's non-derivative assets and liabilities within the one-year period. The analysis is based on the following assumptions: (i) all assets and liabilities that reprice or mature within the three months bracket, and the beyond three months but within one year bracket both are repriced or mature at the beginning of the respective periods, (ii) it does not reflect the potential impact of unparalleled yield curve movements, and (iii) there are no other changes to the portfolio, all positions will be retained and rolled over upon maturity. The analysis does not take into account the effect of risk management measures taken by management. Due to the assumptions adopted, actual changes in the Group's net interest income and other comprehensive income resulted from increases or decreases in interest rates may differ from the results of this sensitivity analysis.

Currency risk

Currency risk arises from the potential change of exchange rates that cause a loss to the on-balance sheet and off-balance sheet business of the Group. The Group measures its currency risk with foreign currency exposures, and manages its currency risk by spot and forward foreign exchange transactions and matching its foreign currency denominated assets with corresponding liabilities in the same currency, as well as using derivative financial instruments, mainly foreign exchange swaps, to manage its exposure.

53 Financial risk management (continued)

The exposures at the reporting date were as follows:

	30 June 2026				
	RMB	*USD (RMB equivalent)*	*HKD (RMB equivalent)*	*Others (RMB equivalent)*	*Total*
Assets					
Cash and balances with central banks	509,763	12,997	422	284	523,466
Deposits with banks and non-bank financial institutions	60,556	15,275	1,928	4,669	82,428
Placements with and loans to banks and non-bank financial institutions	338,924	41,083	37,791	3,044	420,842
Financial assets held under resale agreements	106,839	6,492	-	39	113,370
Loans and advances to customers	5,547,301	178,401	118,241	46,407	5,890,350
Financial investments					
- at fair value through profit or loss	664,505	57,147	2,417	973	725,042
- at amortised cost	1,358,401	7,789	1,673	355	1,368,218
- at fair value through other comprehensive income	611,679	198,743	47,545	59,115	917,082
- designated at fair value through other comprehensive income	7,878	218	52	-	8,148
Others	302,612	19,639	10,929	1,713	334,893
Total assets	9,508,458	537,784	220,998	116,599	10,383,839
Liabilities					
Borrowings from central banks	218,517	-	-	-	218,517
Deposits from banks and non-bank financial institutions	1,177,490	47,854	685	622	1,226,651
Placements from banks and non-bank financial institutions	106,818	41,351	2,589	489	151,247
Financial liabilities at fair value through profit or loss	7,223	339	1,096	-	8,658
Financial assets sold under repurchase agreements	241,097	39,871	6	18,971	299,945
Deposits from customers	5,787,373	299,234	177,837	72,055	6,336,499
Debt securities issued	1,068,821	18,792	633	937	1,089,183
Lease liability	9,253	24	586	34	9,897
Others	68,989	13,500	62,880	7,075	152,444
Total liabilities	8,685,581	460,965	246,312	100,183	9,493,041
Net on-balance sheet position	822,877	76,819	(25,314)	16,416	890,798
Credit commitments	2,319,091	73,300	34,989	13,047	2,440,427
Derivatives (Note (i))	97,357	(60,706)	23,711	(9,948)	50,414

53 Financial risk management (continued)

	31 December 2025				
	RMB	*USD (RMB equivalent)*	*HKD (RMB equivalent)*	*Others (RMB equivalent)*	*Total*
Assets					
Cash and balances with central banks	369,850	16,130	613	323	386,916
Deposits with banks and non-bank financial institutions	92,716	38,232	3,530	6,719	141,197
Placements with and loans to banks and non-bank financial institutions	360,877	31,837	53,371	13	446,098
Financial assets held under resale agreements	168,723	917	-	-	169,640
Loans and advances to customers	5,439,226	155,159	114,458	38,028	5,746,871
Financial investments					
- at fair value through profit or loss	656,839	18,372	2,362	1,205	678,778
- at amortised cost	1,309,640	2,891	-	369	1,312,900
- at fair value through other comprehensive income	707,634	138,171	41,290	39,818	926,913
- designated at fair value through other comprehensive income	7,939	233	62	-	8,234
Others	288,439	13,230	11,434	378	313,481
Total assets	9,401,883	415,172	227,120	86,853	10,131,028
Liabilities					
Borrowings from central banks	204,025	-	-	-	204,025
Deposits from banks and non-bank financial institutions	912,995	21,904	740	1,033	936,672
Placements from banks and non-bank financial institutions	111,183	43,814	3,617	399	159,013
Financial liabilities at fair value through profit or loss	108	51	1,137	-	1,296
Financial assets sold under repurchase agreements	455,758	10,242	-	11,502	477,502
Deposits from customers	5,595,857	285,808	191,788	53,559	6,127,012
Debt securities issued	1,196,361	14,809	2,007	1,162	1,214,339
Lease liability	9,488	28	686	47	10,249
Others	64,622	27,360	57,099	4,209	153,290
Total liabilities	8,550,397	404,016	257,074	71,911	9,283,398
Net on-balance sheet position	851,486	11,156	(29,954)	14,942	847,630
Credit commitments	2,177,513	85,138	34,644	12,485	2,309,780
Derivatives (Note (i))	30,130	713	26,829	(15,715)	41,957

Note:

(i) Derivatives represent the net notional amount of currency derivatives, including undelivered foreign exchange spot, foreign exchange forward, foreign exchange swap, currency swap and currency option.

53 Financial risk management (continued)

The Group uses sensitivity analysis to measure the potential effect of changes in foreign currency exchange rates on the Group's profit or loss and other comprehensive income. The following table sets forth, as at 30 June 2026 and 31 December 2025, the results of the Group's foreign exchange rate sensitivity analysis.

	30 June 2026		31 December 2025	
	Profit before tax	*Other comprehensive income*	*Profit before tax*	*Other comprehensive income*
5% appreciation	1,081	(32)	374	24
5% depreciation	(1,081)	32	(374)	(24)

This sensitivity analysis is based on a static foreign exchange exposure profile of assets and liabilities and certain assumptions as follows: (i) the foreign exchange sensitivity is the gain and loss realised as a result of 5% fluctuation in the foreign currency exchange rates against RMB at the reporting date, (ii) the exchange rates against RMB for all foreign currencies change in the same direction simultaneously and does not take into account the correlation effect of changes in different foreign currencies, and (iii) the foreign exchange exposures calculated include both spot foreign exchange exposures, forward foreign exchange exposure and options, and all positions will be retained and rolled over upon maturity. The analysis does not take into account the effect of risk management measures taken by management. Due to the assumptions adopted, actual changes in the Group's profit and other comprehensive income resulting from increases or decreases in foreign exchange rates may differ from the results of this sensitivity analysis.

53 Financial risk management (continued)

(c) Liquidity risk

Liquidity risk arises when the Group, in meeting the demand of liabilities due and other payment obligations as well as the needs of business expansion, is unable to sufficiently, timely or cost-effectively acquire funds. The Group's liquidity risk arises mainly from the mismatch of assets to liabilities and customers may concentrate their withdrawals.

The Group has implemented overall liquidity risk management on the entity level. The headquarters has the responsibility for developing the entire Group's liquidity risk policies, strategies, and implements centralised management of liquidity risk on the entity level. The domestic and foreign affiliates develop their own liquidity policies and procedures within the Group's liquidity strategy management framework, based on the requirements of relevant regulatory bodies.

The Group manages liquidity risk by setting various indicators and operational limits according to the overall position of the Group's assets and liabilities, with referencing to market condition. The Group holds assets with high liquidity to meet unexpected and material demand for payments in the ordinary course of business.

The tools that the Group uses to measure and monitor liquidity risk mainly include:

- Liquidity gap analysis;

- Liquidity indicators (including but not limited to regulated and internal managed indicators, such as liquidity coverage ratio, loan-to-deposit ratio, liquidity ratio, liquidity gap rate, excess reserves rate) monitoring;

- Scenario analysis;

- Stress testing.

On this basis, the Group establishes regular reporting mechanisms for liquidity risk to report the latest situation of liquidity risk to the senior management on a timely basis.

53 Financial risk management (continued)

Analysis of the remaining contractual maturity of assets and liabilities:

	30 June 2026							
	Repayable on demand	Within one month	Between one month and three months	Between three months and one year	Between one and five years	More than five years	Undated (Note (i))	Total
Assets								
Cash and balances with central banks	195,276	-	-	1,785	-	-	326,405	523,466
Deposits with banks and non-bank financial institutions	74,868	4,850	1,673	1,037	-	-	-	82,428
Placements with and loans to banks and non-bank financial institutions	-	92,576	74,926	201,037	52,303	-	-	420,842
Financial assets held under resale agreements	-	113,370	-	-	-	-	-	113,370
Loans and advances to customers (Note (ii))	13,608	428,383	368,639	1,567,809	1,573,415	1,905,814	32,682	5,890,350
Financial investments								
- at fair value through profit or loss	-	8,815	11,799	82,113	92,296	50,771	479,248	725,042
- at amortised cost	-	26,973	53,813	200,840	589,444	479,577	17,571	1,368,218
- at fair value through other comprehensive income	-	14,873	35,692	93,362	451,520	321,420	215	917,082
- designated at fair value through other comprehensive income	-	-	-	-	-	-	8,148	8,148
Others	71,806	19,321	23,391	24,767	68,110	8,156	119,342	334,893
Total assets	355,558	709,161	569,933	2,172,750	2,827,088	2,765,738	983,611	10,383,839

53 Financial risk management (continued)

	30 June 2026							
	Repayable on demand	*Within one month*	*Between one month and three months*	*Between three months and one year*	*Between one and five years*	*More than five years*	*Undated (Note (i))*	*Total*
Liabilities								
Borrowings from central banks	-	5,207	46,861	166,449	-	-	-	218,517
Deposits from banks and non-bank financial institutions	754,296	103,105	82,329	286,921	-	-	-	1,226,651
Placements from banks and non-bank financial institutions	-	33,698	51,029	58,272	3,166	5,082	-	151,247
Financial liabilities at fair value through profit or loss	-	-	-	-	1,106	7,552	-	8,658
Financial assets sold under repurchase agreements	-	188,602	85,324	26,019	-	-	-	299,945
Deposits from customers	2,653,216	529,453	537,682	1,415,275	1,200,873	-	-	6,336,499
Debt securities issued	-	116,188	190,003	554,336	158,056	70,600	-	1,089,183
Lease liabilities	-	1,297	678	1,782	5,362	778	-	9,897
Others	31,796	51,384	10,819	20,202	17,341	9,631	11,271	152,444
Total liabilities	3,439,308	1,028,934	1,004,725	2,529,256	1,385,904	93,643	11,271	9,493,041
(Short) / Long position	(3,083,750)	(319,773)	(434,792)	(356,506)	1,441,184	2,672,095	972,340	890,798

53 Financial risk management (continued)

	31 December 2025							
	Repayable on demand	*Within one month*	*Between one month and three months*	*Between three months and one year*	*Between one and five years*	*More than five years*	*Undated (Note (i))*	*Total*
Assets								
Cash and balances with central banks	80,404	-	-	4,645	-	-	301,867	386,916
Deposits with banks and non-bank financial institutions	111,986	17,704	8,407	3,100	-	-	-	141,197
Placements with and loans to banks and non-bank financial institutions	-	91,087	97,942	195,136	61,933	-	-	446,098
Financial assets held under resale agreements	-	169,640	-	-	-	-	-	169,640
Loans and advances to customers (Note (ii))	11,314	507,896	406,052	1,355,952	1,556,150	1,882,177	27,330	5,746,871
Financial investments								
- at fair value through profit or loss	-	14,894	22,637	67,349	59,508	69,038	445,352	678,778
- at amortised cost	-	48,195	77,413	206,724	598,698	361,386	20,484	1,312,900
- at fair value through other comprehensive income	-	25,806	37,179	149,388	441,430	272,905	205	926,913
- designated at fair value through other comprehensive income	-	-	-	-	-	-	8,234	8,234
Others	70,809	17,825	13,208	20,633	70,209	7,026	113,771	313,481
Total assets	274,513	893,047	662,838	2,002,927	2,787,928	2,592,532	917,243	10,131,028

53 Financial risk management (continued)

	31 December 2025							
	Repayable on demand	*Within one month*	*Between one month and three months*	*Between three months and one year*	*Between one and five years*	*More than five years*	*Undated (Note (i))*	*Total*
Liabilities								
Borrowings from central banks	-	3,624	41,552	158,849	-	-	-	204,025
Deposits from banks and non-bank financial institutions	591,814	70,455	35,718	238,685	-	-	-	936,672
Placements from banks and non-bank financial institutions	-	48,850	58,370	45,696	2,739	3,358	-	159,013
Financial liabilities at fair value through profit or loss	-	-	-	-	1,137	159	-	1,296
Financial assets sold under repurchase agreements	-	278,754	132,250	66,498	-	-	-	477,502
Deposits from customers	2,630,832	549,924	669,723	1,187,741	1,088,792	-	-	6,127,012
Debt securities issued	-	127,528	349,826	511,705	154,756	70,524	-	1,214,339
Lease liabilities	-	290	452	1,874	6,740	893	-	10,249
Others	83,816	3,743	8,604	15,558	20,113	8,647	12,809	153,290
Total liabilities	3,306,462	1,083,168	1,296,495	2,226,606	1,274,277	83,581	12,809	9,283,398
(Short) / Long position	(3,031,949)	(190,121)	(633,657)	(223,679)	1,513,651	2,508,951	904,434	847,630

53 Financial risk management (continued)

The tables below present the cash flows of the Group's financial assets and liabilities. The amounts disclosed in the table are the contractual undiscounted cash flow:

	30 June 2026							
	Repayable on demand	Within one month	Between one month and three months	Between three months and one year	Between one and five years	More than five years	Undated (Note (i))	Total
Non-derivative cash flow								
Assets								
Cash and balances with central banks	195,276	-	-	5,628	-	-	326,405	527,309
Deposits with banks and non-bank financial institutions	74,868	4,860	1,858	1,326	-	-	-	82,912
Placements with and loans to banks and non-bank financial institutions	-	92,610	74,943	225,871	53,395	-	-	446,819
Financial assets held under resale agreements	-	113,379	-	-	-	-	-	113,379
Loans and advances to customers (Note (ii))	13,608	437,649	398,013	1,664,601	1,851,500	2,262,349	36,760	6,664,480
Financial investments								
- at fair value through profit or loss	-	9,168	12,115	84,207	98,513	57,624	479,905	741,532
- at amortised cost	-	29,975	59,103	223,079	664,227	530,033	17,587	1,524,004
- at fair value through other comprehensive income	-	16,597	38,010	107,466	515,416	391,219	1,103	1,069,811
- designated at fair value through other comprehensive income	-	-	-	-	-	-	8,168	8,168
Others	71,806	19,321	23,391	24,767	68,110	8,156	119,342	334,893
Total assets	355,558	723,559	607,433	2,336,945	3,251,161	3,249,381	989,270	11,513,307

53 Financial risk management (continued)

	30 June 2026							
	Repayable on demand	*Within one month*	*Between one month and three months*	*Between three months and one year*	*Between one and five years*	*More than five years*	*Undated (Note (i))*	*Total*
Liabilities								
Borrowings from central banks	-	5,257	47,631	168,987	-	-	-	221,875
Deposits from banks and non-bank financial institutions	754,296	104,290	85,172	297,471	-	-	-	1,241,229
Placements from banks and non-bank financial institutions	-	34,106	51,225	58,886	3,987	6,762	-	154,966
Financial liabilities at fair value through profit or loss	-	-	-	-	1,106	7,581	-	8,687
Financial assets sold under repurchase agreements	-	188,767	85,903	26,409	-	-	-	301,079
Deposits from customers	2,653,216	534,426	545,080	1,456,447	1,271,101	-	-	6,460,270
Debt securities issued	-	117,092	190,488	557,707	168,432	78,052	-	1,111,771
Lease liability	-	1,348	704	1,849	5,528	801	-	10,230
Others	31,796	51,384	10,819	20,202	17,341	9,631	11,271	152,444
Total liabilities	3,439,308	1,036,670	1,017,022	2,587,958	1,467,495	102,827	11,271	9,662,551
(Short) / Long position	(3,083,750)	(313,111)	(409,589)	(251,013)	1,783,666	3,146,554	977,999	1,850,756
Derivative cash flow								
Derivative financial instrument settled on a net basis	-	(394)	682	1,711	1,775	(58)	-	3,716
Derivative financial instruments settled on a gross basis	-	(2,346)	2,491	(445)	1,557	(13)	-	1,244
- cash inflow	-	960,760	675,441	1,220,702	164,916	961	-	3,022,780
- cash outflow	-	(963,106)	(672,950)	(1,221,147)	(163,359)	(974)	-	(3,021,536)

53 Financial risk management (continued)

	31 December 2025							
	Repayable on demand	*Within one month*	*Between one month and three months*	*Between three months and one year*	*Between one and five years*	*More than five years*	*Undated (Note (i))*	*Total*
Non-derivative cash flow								
Assets								
Cash and balances with central banks	80,404	-	-	4,645	-	-	301,867	386,916
Deposits with banks and non-bank financial institutions	111,986	17,869	8,457	3,140	-	-	-	141,452
Placements with and loans to banks and non-bank financial institutions	-	91,197	98,014	195,413	62,550	-	-	447,174
Financial assets held under resale agreements	-	169,688	-	-	-	-	-	169,688
Loans and advances to customers (Note (ii))	11,314	517,956	440,440	1,459,763	1,837,051	2,242,433	31,683	6,540,640
Financial investments								
- at fair value through profit or loss	-	15,074	22,986	69,714	67,571	76,179	445,352	696,876
- at amortised cost	-	50,558	82,472	227,919	665,562	399,048	21,181	1,446,740
- at fair value through other comprehensive income	-	27,031	39,598	162,942	496,116	314,121	205	1,040,013
- designated at fair value through other comprehensive income	-	-	-	-	-	-	8,273	8,273
Others	70,809	17,825	13,208	20,633	70,209	7,026	113,771	313,481
Total assets	274,513	907,198	705,175	2,144,169	3,199,059	3,038,807	922,332	11,191,253

53 Financial risk management (continued)

	31 December 2025							
	Repayable on demand	*Within one month*	*Between one month and three months*	*Between three months and one year*	*Between one and five years*	*More than five years*	*Undated (Note (i))*	*Total*
Liabilities								
Borrowings from central banks	-	3,663	42,378	161,442	-	-	-	207,483
Deposits from banks and non-bank financial institutions	591,814	70,841	36,044	242,723	-	-	-	941,422
Placements from banks and non-bank financial institutions	-	49,111	58,668	47,012	3,561	4,524	-	162,876
Financial liabilities at fair value through profit or loss	-	-	-	-	1,137	179	-	1,316
Financial assets sold under repurchase agreements	-	278,882	132,927	67,400	-	-	-	479,209
Deposits from customers	2,630,832	558,564	688,532	1,226,651	1,158,686	-	-	6,263,265
Debt securities issued	-	127,528	350,807	516,992	166,171	78,772	-	1,240,270
Lease liability	-	301	470	1,939	6,927	922	-	10,559
Others	83,816	3,743	8,604	15,558	20,113	8,647	12,809	153,290
Total liabilities	3,306,462	1,092,633	1,318,430	2,279,717	1,356,595	93,044	12,809	9,459,690
(Short) / Long position	(3,031,949)	(185,435)	(613,255)	(135,548)	1,842,464	2,945,763	909,523	1,731,563
Derivative cash flow								
Derivative financial instrument settled on a net basis	-	71	13	21	(53)	8	-	60
Derivative financial instruments settled on a gross basis	-	52	924	1,669	806	(1)	-	3,450
- cash inflow	-	1,303,348	1,167,756	2,103,498	152,729	650	-	4,727,981
- cash outflow	-	(1,303,296)	(1,166,832)	(2,101,829)	(151,923)	(651)	-	(4,724,531)

53 Financial risk management (continued)

The Group's Credit Commitments include bank acceptances, credit card commitments, guarantees, loan commitments and letters of credit. The tables below summarise the amounts of credit commitments by remaining contractual maturity.

	30 June 2026			
	Less than 1 year	*1 - 5 years*	*Over 5 years*	*Total*
Bank acceptances	1,014,361	-	-	1,014,361
Credit card commitments	735,757	7,219	33	743,009
Guarantees	153,080	86,240	82	239,402
Loan commitments	11,282	26,066	19,995	57,343
Letters of credit	384,873	1,439	-	386,312
Total	2,299,353	120,964	20,110	2,440,427

	31 December 2025			
	Less than 1 year	*1 - 5 years*	*Over 5 years*	*Total*
Bank acceptances	833,848	-	-	833,848
Credit card commitments	785,295	7,335	20	792,650
Guarantees	165,378	86,287	327	251,992
Loan commitments	8,075	30,872	24,539	63,486
Letters of credit	367,043	761	-	367,804
Total	2,159,639	125,255	24,886	2,309,780

Notes:

(i) For cash and balances with central banks, the undated period amount represented statutory deposit reserve funds and fiscal deposits maintained with the PBOC. For loans and advances to customers and investments, the undated period amount represented the balances being credit-impaired or overdue for more than one month. Equity investments, investment funds were also reported under undated period.

(ii) The balances of loans and advances to customers which were overdue within one month but not impaired are included in repayable on demand.

53 Financial risk management (continued)

(d) Operational risk

Operational risk refers to the risk of loss arising from inappropriate or problematic internal procedures, personnel, IT systems, or external events, including legal risk, but excluding strategic risk and Reputational risk.

The Group manages operational risk through deeply applying the operational risk management tools by establishing a sound mechanism of operational risk management in order to identify, evaluate, measure, control, mitigate, monitor and report operational risks. It continuously enhances risk management capabilities and the ability to respond to impacts from internal and external events, thereby reducing losses from operational risks. Internal control, as an effective means of operational risk management, mainly includes the following aspects:

- by establishing a matrix authorisation management system of the whole group, carrying out the annual unified authorisation work, and strictly restricting the institutions and personnel at all levels to carry out business activities within the scope of authority granted, the management requirements of prohibiting the overstepping of authority to engage in business activities were further clarified at the institutional level;

- through consistent legal responsibility framework, taking strict disciplinary actions against non-compliance in order to ensure accountability;

- promoting the culture establishments throughout the organisation; strength training and performance appraisal management in raising risk management awareness;

- strengthening cash and account management in accordance with the relevant policies and procedures, intensifying the monitoring of suspicious transactions. Ensure our staff are well-equipped with the necessary knowledge and basic skills on anti-money laundering through continuous training;

- Disaster backup systems and recovery plans covering all the important activities, in order to minimize any unforeseen interruption. Insurance cover is arranged to mitigate potential losses associated with certain disruptive events.

In addition to the above, the Group continuously optimizes and improves its operational risk management information systems on an ongoing basis to efficiently identify, evaluate, measure, control, mitigate, monitor and report its level of operational risk. The Group's management information system has the functionalities of operational risk event management, operational risk self-assessment, key risk indicators management, operational risk capital measurement, as well as providing operational risk management report content.

54 Capital Adequacy Ratio

Capital adequacy ratio reflects the Group's operational and risk management capability and it is the core of capital management. The Group considers its strategic development plans, business expansion plans and risk variables in conducting its scenario analysis, stress testing and other measures to forecast, plan and manage capital adequacy ratio. The Group's capital management objectives are to meet the legal and regulatory requirements, and to prudently determine the capital adequacy ratio under realistic exposures with reference to the capital adequacy ratio levels of leading global banks and the Group's operating situations.

From 1 January 2024, the Group commenced the computation of its capital adequacy ratios in accordance with the Regulation Governing Capital of Commercial Banks and other relevant regulations promulgated by the NFRA in the year of 2023. According to the requirements, for credit risk, the capital requirement was measured using the weighting method. The market and operational risk were measured by adopting the standardised approach. The requirements pursuant to these regulations may have certain differences comparing to those applicable in Hong Kong and other jurisdictions. The Group's management monitors the Group's and the Bank's capital adequacy regularly based on regulations issued by the NFRA. The required information is filed with the NFRA by the Group and the Bank regularly.

The core Tier-One capital adequacy ratio, Tier-One capital adequacy ratio, and capital adequacy ratio computed by the Group in accordance with the relevant requirements promulgated by the NFRA are listed as below.

54 Capital Adequacy Ratio (continued)

	30 June 2026	*31 December 2025*
Core Tier-One capital adequacy ratio	9.37%	9.48%
Tier-One capital adequacy ratio	10.98%	10.90%
Capital adequacy ratio	12.81%	12.80%
Components of capital base		
Core Tier-One capital:		
Share capital	55,645	55,645
Capital reserve	95,555	95,563
Other comprehensive income and qualified portion of other equity instruments	1,538	2,976
Surplus reserve	74,099	74,099
General reserve	120,515	120,314
Retained earnings	398,835	374,628
Qualified portion of non-controlling interests	9,427	9,042
Total core Tier-One capital	755,614	732,267
Core Tier-One capital deductions:		
Goodwill (net of related deferred tax liability)	(984)	(1,017)
Other intangible assets other than land use right (net of related deferred tax liability)	(2,112)	(2,639)
Unrealized gains and losses resulting from changes in the fair value of its liabilities due to changes in its own credit risk	(2)	(3)
Net core Tier-One capital	752,516	728,608
Other Tier-One capital (Note (i))	129,384	109,110
Net Tier-One capital	881,900	837,718
Tier-Two capital:		
Qualified portion of Tier-Two capital instruments issued and share premium	69,996	69,995
Surplus allowance for impairment	74,499	73,899
Qualified portion of non-controlling interests	2,400	2,356
Net capital base	1,028,795	983,968
Total risk-weighted assets	8,033,562	7,684,339

Note:

(i) As at 30 June 2026 and 31 December 2025, the Group's other Tier-One capital included preference shares, perpetual bonds issued by the Bank (Note 41) and qualified portion of non-controlling interests (Note 47).

55 Fair value

Fair value estimates are generally subjective in nature, and are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date. This level includes listed equity instruments and debt instruments on exchanges and exchange-traded derivatives.

Level 2: Inputs other than quoted prices included within Level 1 are observable for assets or liabilities, either directly or indirectly. The assets classified into the level 2 include bond investment without active market quotation, part of the bills rediscounting and forfeiting in loans and advances, part of the investment management products managed by securities companies, trust investment plans and equity instruments, as well as a majority of over-the-counter derivative contracts. The valuation methods used by management include discount cash flow evaluation method, Option Pricing Model and according to the valuation results of China Central Depository & Clearing Corporate Limited or Bloomberg. Input parameters are sourced from the open market such as Bloomberg, Wind and Reuters.

Level 3: Inputs for assets or liabilities are based on unobservable parameters. This level includes equity instruments and debt instruments with one or more than one significant unobservable parameter.Management determines the fair value through inquiring from counterparties or using the valuation techniques. The model incorporates unobservable parameters such as discount rate and market price volatilities.

For the period ended 30 June 2026, there was no significant change in the valuation techniques or inputs used to determine fair value measurements.

(a) Financial assets and financial liabilities not measured at fair value

Financial assets and liabilities not carried at fair value of the Group include cash and balances with central banks, deposits with banks and non-bank financial institutions, placements with and loans to banks and non-bank financial institutions, financial assets held under resale agreements, loans and advances to customers at amortised cost, financial investments at amortised cost, borrowings from central banks, deposits from banks and non-bank financial institutions, placements from banks and non-bank financial institutions, financial assets sold under repurchase agreements, deposits from customers and debt securities issued.

55 Fair value (continued)

Except for the items shown in the tables below, the maturity dates of aforesaid financial assets and liabilities are within a year or are mainly floating interest rates, as a result, their carrying amounts are approximately equal to their fair value.

	Carrying values		*Fair values*	
	30 June 2026	*31 December 2025*	*30 June 2026*	*31 December 2025*
Financial assets:				
Financial investments				
- at amortised cost	1,368,218	1,312,900	1,383,366	1,322,353
Financial liabilities:				
Debt securities issued				
- debt securities issued	155,894	206,762	156,163	207,279
- subordinated bonds issued	73,996	74,019	75,514	75,299
- certificates of interbank deposit issued	859,293	933,558	859,467	933,783

Fair value of financial assets and liabilities above at fair value hierarchy is as follows:

	30 June 2026			
	Level 1	*Level 2*	*Level 3*	*Total*
Financial assets:				
Financial investments				
- at amortised cost	3,638	1,192,105	187,623	1,383,366
Financial liabilities:				
Debt securities issued				
- debt securities issued	7,130	147,086	1,947	156,163
- subordinated bonds issued	3,395	72,119	-	75,514
- certificates of interbank deposit issued	5,842	853,625	-	859,467

	31 December 2025			
	Level 1	*Level 2*	*Level 3*	*Total*
Financial assets:				
Financial investments	1,653	1,133,346	187,354	1,322,353
- at amortised cost				
Financial liabilities:				
Debt securities issued				
- debt securities issued	9,664	194,645	2,970	207,279
- subordinated bonds issued	3,494	71,805	-	75,299
- certificates of interbank deposit issued	12,468	921,315	-	933,783

55 Fair value (continued)

(b) Financial assets and financial liabilities measured at fair value

	Level 1 (Note (i))	*Level 2 (Note (i))*	*Level 3 (Note (ii))*	*Total*
As at 30 June 2026				
Recurring fair value measurements				
Assets				
Loans and advances to customers at fair value through other comprehensive income				
- loans	-	163,846	-	163,846
- discounted bills	-	169,196	-	169,196
Loans and advances to customers at fair value through current profit or loss	-	-	351	351
Financial investments at fair value through profit or loss				
- investment funds	135,151	287,817	27,306	450,274
- debt securities	7,936	191,609	6,887	206,432
- certificates of deposit and interbank certificates of deposit	98	35,265	-	35,363
- wealth management and others	856	1,025	1,453	3,334
- trust investment plans	-	-	5,117	5,117
- equity instruments	761	-	23,761	24,522
Financial investments at fair value through other comprehensive income				
- debt securities	240,648	655,551	921	897,120
- certificates of deposit and interbank certificates of deposit	3,046	11,562	-	14,608
Financial investments designated at fair value through other comprehensive income				
- equity instruments	217	-	7,931	8,148
Derivative financial assets				
- interest rate derivatives	1	12,461	-	12,462
- currency derivatives	-	31,017	-	31,017
- precious metals derivatives	-	8,287	-	8,287
Total financial assets measured at fair value	388,714	1,567,636	73,727	2,030,077
Liabilities				
Financial liabilities at fair value through profit or loss				
- short position in debt securities	67	7,495	-	7,562
- structured products	-	-	1,096	1,096
Derivative financial liabilities				
- interest rate derivatives	4	12,515	-	12,519
- currency derivatives	-	29,848	-	29,848
- precious metals derivatives	-	7,667	-	7,667
Total financial liabilities measured at fair value	71	57,525	1,096	58,692

55 Fair value (continued)

	Level 1 (Note (i))	*Level 2 (Note (i))*	*Level 3 (Note (ii))*	*Total*
As at 31 December 2025				
Recurring fair value measurements				
Assets				
Loans and advances to customers at fair value through other comprehensive income				
- loans	-	118,315	-	118,315
- discounted bills	-	200,902	-	200,902
Loans and advances to customers at fair value through current profit or loss	-	-	15,267	15,267
Financial investments at fair value through profit or loss				
- investment funds	118,708	294,628	7,978	421,314
- debt securities	7,108	198,961	4,775	210,844
- certificates of deposit and interbank certificates of deposit	-	18,375	-	18,375
- wealth management and others	557	891	1,445	2,893
- trust investment plans	-	-	5,467	5,467
- equity instruments	992	2	18,891	19,885
Financial investments at fair value through other comprehensive income				
- debt securities	169,869	728,968	8,030	906,867
- certificates of deposit and interbank certificates of deposit	3,293	10,236	-	13,529
Financial investments designated at fair value through other comprehensive income				
- equity instruments	232	-	8,002	8,234
Derivative financial assets				
- interest rate derivatives	-	12,086	-	12,086
- currency derivatives	-	28,125	-	28,125
- precious metals derivatives	-	815	-	815
Total financial assets measured at fair value	300,759	1,612,304	69,855	1,982,918
Liabilities				
Financial liabilities at fair value through profit or loss				
- short position in debt securities	51	108	-	159
- structured products	-	-	1,137	1,137
Derivative financial liabilities				
- interest rate derivatives	-	12,039	-	12,039
- currency derivatives	-	25,356	-	25,356
- precious metals derivatives	-	6,969	-	6,969
Total financial liabilities measured at fair value	51	44,472	1,137	45,660

55 Fair value (continued)

Notes:

(i) During the current period / year, there were no significant transfers amongst Level 1, Level 2 and Level 3 of the fair value hierarchy.

(ii) The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in the Level 3 fair value hierarchy:

	Assets					*Liabilities*	
	Financial assets at fair value through profit or loss	*Financial assets at fair value through other comprehensive income*	*Financial assets designated at fair value through other comprehensive income*	*Loans and advances to customers*	*Total*	*Financial liabilities at fair value through profit or loss*	*Total*
As at 1 January 2026	38,556	8,030	8,002	15,267	69,855	(1,137)	(1,137)
Total gains or losses							
- in profit or loss	(98)	-	-	-	(98)	-	-
- in comprehensive income	-	(7)	(69)	-	(76)	-	-
Purchases	27,594	883	-	-	28,477	-	-
Settlements	(1,196)	(7,983)	-	(8)	(9,187)	-	-
Transfer in/out	-	(1)	-	(14,908)	(14,909)	-	-
Exchange effect	(332)	(1)	(2)	-	(335)	41	41
As at 30 June 2026	64,524	921	7,931	351	73,727	(1,096)	(1,096)

55 Fair value (continued)

	Assets					Liabilities	
	Financial assets at fair value through profit or loss	*Financial assets at fair value through other comprehensive income*	*Financial assets designated at fair value through other comprehensive income*	*Loans and advances to customers*	*Total*	*Financial liabilities at fair value through profit or loss*	*Total*
As at 1 January 2025	21,461	216	4,486	11,612	37,775	(1,625)	(1,625)
Total gains or losses							
- in profit or loss	(185)	-	-	(29)	(214)	-	-
- in comprehensive income	-	2	(65)	-	(63)	-	-
Purchases	25,859	7,980	3,820	4,275	41,934	-	-
Settlements	(8,273)	(201)	(230)	(11)	(8,715)	428	428
Transfer in/out	-	34	-	-	34	-	-
Exchange effect	(306)	(1)	(9)	(580)	(896)	60	60
As at 31 December 2025	38,556	8,030	8,002	15,267	69,855	(1,137)	(1,137)

For unlisted equity investments, fund investments, bond investments, structured products, the Group determines the fair value through counterparties' quotations and valuation techniques, etc. Valuation techniques include discounted cash flow analysis and the market comparison approach, etc. The fair value measurement of these financial instruments may involve important unobservable inputs such as credit spread and liquidity discount, etc. The fair value of the financial instruments classified under level 3 is not significantly influenced by the reasonable changes in these unobservable inputs.

56 Related parties

(a) Relationship of related parties

(i) The Group is controlled by CITIC Financial Holding Co., Ltd. (incorporated in Mainland China), which owns 64.75% of the Bank's shares. The ultimate parent of the Group is CITIC Group (incorporated in Mainland China).

(ii) Related parties of the Group include enterprises controlled, jointly controlled and exerting significant influence by CITIC Group, and enterprises controlled by China National Tobacco Corporation and Quzhou Industrial Holding Group Co., Ltd. The Bank entered into banking transactions with its subsidiaries at arm's length in the ordinary course of business. The related party transactions between the Bank and its subsidiaries have been offset in the preparation of this consolidated financial statement.

China National Tobacco Corporation ("CNTC") and Quzhou Xin'an Development Co., Ltd. have a non-executive director on the Board of Directors of the Bank, which can exert significant influence on the Bank and constitute a related party of the Bank.

Quzhou Xin'an Development Co., Ltd. holds shares in this bank through its wholly-owned subsidiaries, Summit Idea Limited and Hong Kong Xinhu Investment Co., Ltd. The ultimate controlling party of Quzhou Xin'an Development Co., Ltd. is Quzhou Industrial Holding Group Co., Ltd.

(b) Related party transactions

The Group entered into transactions with related parties in the ordinary course of its banking businesses including lending, assets transfer (i.e., issuance of asset-backed securities in the form of public placement), financial investment, deposit, settlement and clearing, off-balance sheet transactions, and leases of property. These banking transactions were conducted under normal commercial terms and conditions and priced at the relevant market rates prevailing at the time of each transaction.

The major related party transaction between the Group and related parties are submitted in turn to the board of directors for deliberation, and the relevant announcements have been posted on the websites of the Shanghai Stock Exchange, the Hong Kong Stock Exchange and the Bank.

56 Related parties (continued)

In addition, transactions during the relevant year and the corresponding balances outstanding at the reporting dates are as follows:

	Six months ended 30 June 2026		
	Ultimate holding company and affiliates	*The ultimate parent company and its subsidiaries of other important holding companies Notes(i)*	*Associates and joint ventures*
Profit and loss			
Interest income	2,043	440	75
Fee and commission income and other operating income	187	271	-
Interest expense	(946)	(1,372)	(20)
Net trading (losses) / gains	(543)	40	-
Other service fees	(1,646)	(285)	-

	Six months ended 30 June 2025		
	Ultimate holding company and affiliates	*The ultimate parent company and its subsidiaries of other important holding companies Notes(i)*	*Associates and joint ventures*
Profit and loss			
Interest income	2,114	549	149
Fee and commission income and other operating income	181	15	-
Interest expense	(749)	(1,342)	(11)
Net trading (losses) / gains	(45)	32	-
Other service fees	(1,843)	(306)	(18)

56 Related parties (continued)

	30 June 2026		
	Ultimate holding company and affiliates	*The ultimate parent company and its subsidiaries of other important holding companies Note (i)*	*Associates and joint ventures*
Assets			
Gross loans and advances to customers	57,167	14,574	-
Less: allowance for impairment losses on loans and advances	(1,050)	(222)	-
Loans and advances to customers (net)	56,117	14,352	-
Deposits with banks and non-bank financial institutions	-	683	6,008
Placements with and loans to banks and non-bank financial institutions	66,292	1,615	1,079
Derivative financial assets	811	550	-
Financial assets held under resale agreement	2,288	9,995	-
Investment in financial assets			
- at fair value through profit or loss	7,253	7,419	-
- at amortised cost	25,137	2,425	-
- at fair value through other comprehensive income	6,283	536	10
- designated at fair value through other comprehensive income	1,106	-	-
Right-of-use assets	65	-	-
Other assets	472	1	-
Liabilities			
Deposits from banks and non-bank financial institutions	82,503	5,473	1,304
Placements with and loans to banks and nonbank financial institutions	284	644	-
Derivative financial liabilities	1,332	608	-
Deposits from customers	84,749	220,704	2
Lease liabilities	73	-	-
Other liabilities	757	-	-
Off-balance sheet items			
Guarantees and letters of credit	6,402	7,999	-
Acceptances	1,903	414	-
Nominal amount of derivatives financial instruments	331,904	124,034	-

56 Related parties (continued)

	31 December 2025		
	Ultimate holding company and affiliates	*The ultimate parent company and its subsidiaries of other important holding companies Note (i)*	*Associates and joint ventures*
Assets			
Gross loans and advances to customers	59,704	12,984	-
Less: allowance for impairment losses on loans and advances	(1,078)	(127)	-
Loans and advances to customers (net)	58,626	12,857	-
Deposits with banks and non-bank financial institutions	-	11,199	16,002
Placements with and loans to banks and non-bank financial institutions	65,373	5,241	179
Derivative financial assets	562	951	-
Financial assets held under resale agreement	1,025	-	-
Investment in financial assets			
- at fair value through profit or loss	6,636	11,917	-
- at amortised cost	25,141	5,411	-
- at fair value through other comprehensive income	5,660	5,598	10
- designated at fair value through other comprehensive income	454	-	-
Right-of-use assets	66	-	-
Intangible assets	6	-	-
Other assets	498	1	-
Liabilities			
Deposits from banks and non-bank financial institutions	77,769	29,725	1,124
Placements with and loans to banks and nonbank financial institutions	441	-	-
Derivative financial liabilities	427	885	-
Deposits from customers	81,536	196,071	1
Lease liabilities	74	-	-
Other liabilities	85	-	-
Off-balance sheet items			
Guarantees and letters of credit	6,255	8,078	-
Acceptances	3,014	-	-
Nominal amount of derivatives financial instruments	291,631	198,046	-

56 Related parties (continued)

Note:

(i) Other important holding companies include CNTC, Quzhou Xin'an Development Co., Ltd.

The related party transactions and balances between the Group and CNTC, Quzhou Industrial Holding Group Co., Ltd. and its controlled enterprises disclosed above fell into the period when related party relationship exists.

(c) Key management personnel and their close family members and related companies

Key management personnel are those persons who have the authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including directors and executive officers.

The Group entered into banking transactions with key management personnel and their close family members and those companies controlled or jointly controlled by them in the normal course of business. Other than those disclosed below, there was no material transactions and balances between the Group and these individuals, their close family members or those companies controlled or jointly controlled by them.

The aggregate amount of relevant loans outstanding as at 30 June 2026 to directors and executive officers amounted to RMB 4.25 million (as at 31 December 2025: Nil).

The aggregated compensations for directors and executive officers of the Bank during the six months ended 30 June 2026 amounted to RMB 8.10 million (Six months ended 30 June 2025: RMB 12.66 million).

(d) Pension plan contributions and supplementary retirement benefits

The Group has established a supplementary defined contribution plan for its qualified employees which is administered by CITIC Group (Note 35(b)).

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

The Group operates in an economic regime currently predominated by entities directly or indirectly owned by the PRC government through its government authorities, agencies, affiliations and other organisations (collectively referred to as "state-owned entities").

56 Related parties (continued)

Transactions with state-owned entities include but are not limited to the following:

- lending and deposit taking;
- taking and placing of inter-bank balances;
- derivative transactions;
- entrusted lending and other custody services;
- insurance and securities agency, and other intermediary services;
- sale, purchase, underwriting and redemption of bonds issued by 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 has also established its pricing strategy and approval processes for major products and services, such as loans, deposits and commission income. The pricing strategy and approval processes do not depend on whether the customers are state-owned entities or not. The board of directors are of opinion that none of these transactions are material related party transactions that require separate disclosure.

57 Structured entities

(a) Consolidated structured entities

Structured entities consolidated by the Group include certain asset management plans, trust investment plans and others, issued, managed and/or invested by the Group. The Group controls these entities because the Group has power over, is exposed to, or has right to variable returns from its involvement with these entities and has the ability to use its power over these entities to affect the amount of the Group's returns.

57 Structured entities (continued)

(b) Unconsolidated structured entities sponsored and managed by third parties

The Group invests in unconsolidated structured entities which are sponsored and managed by other entities for investment return, and records trading gains or losses and interest income therefrom. These unconsolidated structured entities primarily include wealth management products, investment management products, trust investment plans, asset-backed securities and investment funds.

The following table sets out an analysis of the carrying amounts of interests held by the Group as at 30 June 2026 in the structured entities sponsored by third party institutions, as well as an analysis of the line items in the consolidated interim statement of financial position under which relevant assets are recognized:

	30 June 2026				
	Carrying amount				*Maximum loss exposure*
	Investments in financial assets at fair value through profit or loss	*Investments in financial assets at amortised costs*	*Investments in financial assets at fair value through other comprehensive income*	*Total*	
Wealth management product	3,334	-	-	3,334	3,334
Investment management products managed by securities companies	-	22,543	-	22,543	22,543
Trust investment plans	5,117	181,123	-	186,240	186,240
Asset-backed securities	31,665	88,592	27,951	148,208	148,208
Investment funds	450,274	-	-	450,274	450,274
Total	490,390	292,258	27,951	810,599	810,599

	31 December 2025				
	Carrying amount				*Maximum loss exposure*
	Investments in financial assets at fair value through profit or loss	*Investments in financial assets at amortised costs*	*Investments in financial assets at fair value through other comprehensive income*	*Total*	
Wealth management product	2,893	-	-	2,893	2,893
Investment management products managed by securities companies	-	27,092	-	27,092	27,092
Trust investment plans	5,467	177,036	-	182,503	182,503
Asset-backed securities	37,736	109,230	16,664	163,630	163,630
Investment funds	421,314	-	-	421,314	421,314
Total	467,410	313,358	16,664	797,432	797,432

The maximum exposures to risk in the above wealth management products, trust investment plans, investment management products, asset-backed securities and investment funds are the carrying value of the assets held by the Group at the reporting date.

57 Structured entities (continued)

(c) Unconsolidated structured entities sponsored and managed by the Group

Unconsolidated structured entities sponsored and managed by the Group mainly include non-principal guaranteed wealth management products. The wealth management products invest in a range of primarily fixed-rate assets, most typically money market instruments, debt securities and loan assets. As the manager of these wealth management products, the Group, on behalf of its customers, invests the raised wealth management funds into relevant assets in accordance with the investment plan and distribute returns to investors based on the operation of the products. The Group's interests in these unconsolidated structured entities primarily represent in receiving fee and commission income.

As at 30 June 2026, the total assets invested by these outstanding non-principal guaranteed wealth management products issued by the Group amounted to RMB 2,494,372 million (31 December 2025: RMB 2,296,173 million).

During the six months ended 30 June 2026, the Group's interest in these wealth management products included fee and commission income of RMB 3,317 million (Six months ended 30 June 2025: RMB 3,548 million).

The Group enters into repo transactions at market interest rates with these wealth management products, and the outstanding balance of these transactions represents the Group's maximum exposure to the wealth management products. During the six months ended 30 June 2026, net interest income which related to repo transactions entered into by the Group with these wealth management products were RMB 69 million (Six months ended 30 June 2025: RMB 64 million).

As at 30 June 2026, assets of these wealth management products amounting to RMB 426,711 million (31 December 2025: RMB 334,406 million) were invested in investments in which certain subsidiaries and associates of the CITIC Group acted as trustees.

58 Transfers of financial assets

For the six months ended 30 June 2026, the Group entered into transactions which involved securitisation transactions and transfers of financial assets.

These transactions were entered into in the normal course of business by which recognized financial assets were transferred to third parties or structured entities. Transfers of assets may give rise to full or partial derecognition of the financial assets concerned. On the other hand, where transferred assets do not qualify for derecognition as the Group has retained substantially all the risks and rewards of these assets, the Group continues to recognize the transferred assets.

58 Transfers of financial assets (continued)

Details of the financial assets sold under repurchase agreements are set forth in Note 33. Details of securitisation transactions and financial assets transfer transactions conducted by the Group for the six months ended 30 June 2026 totaled RMB27,986 million (Six months ended 30 June 2025: RMB22,795 million) are set forth below.

Securitisation transactions

During the six months ended 30 June 2026, the Group, through securitisation, transferred financial assets at the original cost of RMB22,763 million, which qualified for full derecognition (Six months ended 30 June 2025: RMB18,889 million, which qualified for full derecognition).

Loan and other Financial assets transfers

During the six months ended 30 June 2026, the Group also transferred loan and other financial assets of book value before impairment of RMB5,223 million through other types of transactions (Six months ended 30 June 2025: RMB3,906 million). RMB4,952 million of this balance (Six months ended 30 June 2025: RMB3,714 million) was non-performing loans. RMB 120 million of this balance (Six months ended 30 June 2025: Nil) was non-performing structured products. The Group carried out assessment based on the transfer of risks and rewards of ownership and concluded that these transferred assets qualified for full derecognition.

During the six months ended 30 June 2026, the Group transferred loans and other financial assets of book value before impairment of RMB2,358 million to China CITIC Financial Asset Management Co., Ltd. through other types of transactions (Six months ended 30 June 2025: RMB198 million). RMB2,354 million of this balance was non-performing loans (Six months ended 30 June 2025: RMB198 million). RMB 4 million of this balance (Six months ended 30 June 2025: Nil) was non-performing structured products. All of the above-mentioned financial assets are qualified for full derecognition.

59 Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated interim statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

As at 30 June 2026, the amount of the financial assets and financial liabilities subject to enforceable master netting arrangements or similar agreements are not material to the Group.

60 Interim statements of financial position and changes in equity of the Bank

Statement of financial position

	30 June 2026	*31 December 2025*
Assets		
Cash and balances with central banks	520,213	383,053
Deposits with banks and non-bank financial institutions	65,716	115,511
Precious metals	28,246	28,851
Placements with and loans to banks and non-bank financial institutions	375,783	390,374
Derivative financial assets	39,777	29,934
Financial assets held under resale agreements	104,342	159,074
Loans and advances to customers	5,584,670	5,454,012
Financial investments		
- at fair value through profit or loss	709,729	675,438
- at amortised cost	1,366,794	1,312,144
- at fair value through other comprehensive income	709,004	746,582
- designated at fair value through other comprehensive income	3,416	3,492
Investments in subsidiaries and joint ventures	49,903	47,679
Property, plant and equipment	30,778	32,048
Right-of-use assets	9,291	9,594
Intangible assets	1,391	1,824
Deferred tax assets	50,547	53,096
Other assets	73,670	75,756
Total assets	9,723,270	9,518,462
Liabilities		
Borrowings from central banks	218,517	203,956
Deposits from banks and non-bank financial institutions	1,231,973	938,910
Placements from banks and non-bank financial institutions	32,101	45,473
Financial liabilities at fair value through profit or loss	7,495	108
Derivative financial liabilities	38,593	33,459
Financial assets sold under repurchase agreements	238,273	453,911
Deposits from customers	5,956,265	5,744,176
Accrued staff costs	13,617	19,820
Taxes payable	3,148	3,772
Debt securities issued	1,082,558	1,206,286
Lease liabilities	9,145	9,370
Provisions	8,752	9,938
Other liabilities	54,671	63,066
Total liabilities	8,895,108	8,732,245

60 Interim statements of financial position and changes in equity of the Bank (continued)

	30 June 2026	*31 December 2025*
Equity		
Share capital	55,645	55,645
Other equity instruments	124,955	104,948
Capital reserve	97,949	97,956
Other comprehensive income	1,340	(56)
Surplus reserve	74,099	74,099
General reserve	115,210	115,210
Retained earnings	358,964	338,415
Total equity	828,162	786,217
Total liabilities and equity	9,723,270	9,518,462

60 Interim statements of financial position and changes in equity of the Bank (continued)

Statement of changes in equity

	Share capital	*Other equity instruments*	*Capital reserve*	*Other comprehensive income*	*Surplus reserve*	*General reserve*	*Retained earnings*	*Total equity*
As at 1 January 2026	55,645	104,948	97,956	(56)	74,099	115,210	338,415	786,217
(i) Profit for the period	-	-	-	-	-	-	33,695	33,695
(ii) Other comprehensive income	-	-	-	1,396	-	-	-	1,396
Total comprehensive income	-	-	-	1,396	-	-	33,695	35,091
(iii) Investor capital								
- Issuance of perpetual bonds	-	60,000	(7)	-	-	-	-	59,993
- Redemption of perpetual bonds	-	(39,993)	-	-	-	-	-	(39,993)
(iv) Profit appropriations								
- Dividend distribution to ordinary shareholders of the Bank	-	-	-	-	-	-	(10,740)	(10,740)
- Interest paid to holders of perpetual bonds	-	-	-	-	-	-	(2,406)	(2,406)
As at 30 June 2026	55,645	124,955	97,949	1,340	74,099	115,210	358,964	828,162

60 Interim statements of financial position and changes in equity of the Bank (continued)

	Share capital	*Other equity instruments*	*Capital reserve*	*Other comprehensive income*	*Surplus reserve*	*General reserve*	*Retained earnings*	*Total equity*
As at 1 January 2025	54,397	105,499	91,676	11,895	67,629	107,205	312,380	750,681
(i) Profit for the period	-	-	-	-	-	-	33,100	33,100
(ii) Other comprehensive income	-	-	-	(5,195)	-	-	-	(5,195)
Total comprehensive income	-	-	-	(5,195)	-	-	33,100	27,905
(iii) Investor capital								
- Convertible corporate bonds converted into equity	1,248	(551)	6,280	-	-	-	-	6,977
(iv) Profit appropriations								
- Dividend distribution to ordinary shareholders of the Bank	-	-	-	-	-	-	(9,582)	(9,582)
- Interest paid to holders of perpetual bonds	-	-	-	-	-	-	(2,406)	(2,406)
As at 30 June 2025	55,645	104,948	97,956	6,700	67,629	107,205	333,492	773,575

60 Interim statements of financial position and changes in equity of the Bank (continued)

	Share capital	*Other equity instruments*	*Capital reserve*	*Other comprehensive income*	*Surplus reserve*	*General reserve*	*Retained earnings*	*Total equity*
As at 1 January 2025	54,397	105,499	91,676	11,895	67,629	107,205	312,380	750,681
(i) Profit for the year	-	-	-	-	-	-	64,701	64,701
(ii) Other comprehensive income	-	-	-	(12,265)	-	-	-	(12,265)
Total comprehensive income	-	-	-	(12,265)	-	-	64,701	52,436
(iii) Investor capital								
- Convertible corporate bonds converted into equity	1,248	(551)	6,280	-	-	-	-	6,977
(iv) Profit appropriations								
- Appropriations to surplus reserve	-	-	-	-	6,470	-	(6,470)	-
- Appropriations to general reserve	-	-	-	-	-	8,005	(8,005)	-
- Dividend distribution to ordinary shareholders of the Bank	-	-	-	-	-	-	(20,043)	(20,043)
- Dividend distribution to preference shareholders	-	-	-	-	-	-	(1,428)	(1,428)
- Interest paid to holders of perpetual bonds	-	-	-	-	-	-	(2,406)	(2,406)
(v) Transfers within the owners' equity								
- Other comprehensive income transferred to retained earnings	-	-	-	314	-	-	(314)	-
As at 31 December 2025	55,645	104,948	97,956	(56)	74,099	115,210	338,415	786,217

61 Non-adjusting events after reporting period

As proposed by the Board of Directors of the Bank on 26 August 2026, the Bank intends to distribute an interim cash dividend of RMB 2.03 per 10 shares for the first half of the year ended 30 June 2026 to ordinary shareholders of record on the relevant record date, amounting to approximately RMB 11,296 million. The proposal will be subject to the approval by the Extraordinary General Meeting of Shareholders.

62 Comparative figures

Certain comparative data has been restated to conform to the presentation of the current year.

China CITIC Bank Corporation Limited

(Incorporated in the People's Republic of China with Limited Liability)

Unaudited Supplementary Financial Information
For the six months ended 30 June 2026

Unaudited supplementary financial information

(Expressed in millions of Renminbi unless otherwise stated)

The information set out below does not form part of the financial statements, and is included herein for information purposes only.

1 Difference between the financial report prepared under IFRS Accounting Standards and that prepared in accordance with PRC GAAP

China CITIC Bank Corporation Limited (the "Bank") prepares consolidated interim financial statements, which includes the financial statements of the Bank and its subsidiaries (collectively the "Group"), in accordance with IFRS Accounting Standards issued 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 in the Shanghai Stock Exchange, the Group also prepares its consolidated interim financial statements for the six months ended 30 June 2026 in accordance with the Accounting Standards for Business Enterprises and other relevant regulations issued by the regulatory bodies of the PRC (collectively "PRC GAAP").

There is no difference in the profit for the six months ended 30 June 2026 or total equity as at 30 June 2026 between the Group's consolidated interim financial statements prepared in accordance with IFRS Accounting Standards and those prepared in accordance with PRC GAAP respectively.

2 Liquidity coverage ratio

	30 June 2026	*31 December 2025*
Liquidity coverage ratio	161.48%	144.22%

The liquidity coverage ratios were also in accordance with the Rules on Liquidity Risk Management of Commercial Banks issued by the NFRA and applicable calculation requirements, and based on the data determined under the PRC GAAP.

(Expressed in millions of Renminbi unless otherwise stated)

3 Currency concentrations

	30 June 2026			
	US Dollars	*HK Dollars*	*Others*	*Total*
Spot assets	480,300	216,721	112,034	809,055
Spot liabilities	(408,412)	(242,658)	(95,046)	(746,116)
Forward purchases	1,916,403	316,495	319,356	2,552,254
Forward sales	(1,978,198)	(295,485)	(330,615)	(2,604,298)
Options	1,089	2,701	1,310	5,100
Net long / (short) position	11,182	(2,226)	7,039	15,995

	31 December 2025			
	US Dollars	*HK Dollars*	*Others*	*Total*
Spot assets	373,646	221,978	83,610	679,234
Spot liabilities	(364,740)	(251,550)	(68,149)	(684,439)
Forward purchases	2,520,955	250,098	187,017	2,958,070
Forward sales	(2,513,440)	(228,295)	(203,121)	(2,944,856)
Options	(6,802)	5,027	389	(1,386)
Net long / (short) position	9,619	(2,742)	(254)	6,623

(Expressed in millions of Renminbi unless otherwise stated)

4 International claims

International claims are the sum of cross-border claims in all currencies and local claims in foreign currencies. The Group is principally engaged in business operations within Mainland China, and regards all the claims on third parties outside Mainland China as cross border claims.

International claims include balances with central banks, deposits with banks and non-bank financial institutions, placements with and loans to banks and non-bank financial institutions, financial investments, loans and advances to customers, financial assets held under resale agreements, etc.

International claims are disclosed based on different countries or regions. A country or region is reported where it constitutes 10% or more of the aggregate amount of international claims, after taking into account any risk transfers. Risk transfer is only made if the claims are guaranteed by a party in a country which is different from that of the counterparty or if the claims are on an overseas branch of a bank whose head office is located in another country.

	30 June 2026			
	Banks	*Official sector*	*Non-bank private sector*	*Total*
Asia Pacific excluding Mainland China	126,620	3,504	221,201	351,325
- of which attributed to Hong Kong	62,668	631	156,991	220,290
Europe	61,637	44,782	29,494	135,913
North and South America	55,222	50,818	42,427	148,467
Africa	746	4,358	2,445	7,549
Others	-	-	6	6
Total	244,225	103,462	295,573	643,260

	31 December 2025			
	Banks	*Official sector*	*Non-bank private sector*	*Total*
Asia Pacific excluding Mainland China	121,122	1,548	183,072	305,742
- of which attributed to Hong Kong	43,565	634	131,546	175,745
Europe	55,916	7,728	21,292	84,936
North and South America	50,298	29,789	30,457	110,544
Africa	-	4,805	3,369	8,174
Total	227,336	43,870	238,190	509,396

(Expressed in millions of Renminbi unless otherwise stated)

5 Overdue loans and advances to customers by geographical sectors

	30 June 2026		
	Gross loans and advances	*Loans and advances overdue over 3 months*	*Credit-impaired loans*
Yangtze River Delta	1,824,010	13,841	14,997
Bohai Rim (include Head Office)	1,442,473	14,603	19,457
Pearl River Delta and West Strait	861,632	8,039	9,200
Central	822,047	9,271	10,492
Western	741,346	9,613	10,408
Northeastern	75,898	749	820
Outside Mainland China	241,235	4,954	3,572
Accrued interest	23,860	-	384
Total	6,032,501	61,070	69,330

	31 December 2025		
	Gross loans and advances	*Loans and advances overdue over 3 months*	*Credit-impaired loans*
Yangtze River Delta	1,746,150	7,864	13,871
Bohai Rim (include Head Office)	1,399,571	13,935	20,773
Pearl River Delta and West Strait	847,259	7,934	8,968
Central	818,539	9,259	9,505
Western	734,236	8,064	9,671
Northeastern	82,593	564	622
Outside Mainland China	233,824	2,842	3,892
Accrued interest	23,887	-	1,076
Total	5,886,059	50,462	68,378

(Expressed in millions of Renminbi unless otherwise stated)

6 Gross overdue amounts due from banks and other financial institutions and overdue loans and advances to customers

(a) Gross overdue amounts due from banks and other financial institutions

As at 30 June 2026, the Group had no overdue amounts due from banks and other financial institutions (31 December 2025: Nil).

(b) Gross amounts of overdue loans and advances to customers

	30 June 2026	*31 December 2025*
Gross loans and advances to customers which have been overdue with respect to either principal or interest for periods of:		
- between 3 and 6 months	23,252	13,384
- between 6 and 12 months	12,075	13,703
- over 12 months	25,743	23,375
Total	61,070	50,462
As a percentage of total gross loans and advances to customers:		
- between 3 and 6 months	0.39%	0.23%
- between 6 and 12 months	0.20%	0.23%
- over 12 months	0.43%	0.40%
Total	1.02%	0.86%

The above analysis represents loans and advances overdue for more than 3 months as required by the Hong Kong Monetary Authority.

Loans and advances with a specific repayment date are classified as overdue when the principal or interest is overdue.

Loans and advances 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 are repayable on demand which are outside the approved limit that was advised to the borrower, they are also considered as overdue.

(Expressed in millions of Renminbi unless otherwise stated)

6 Gross amount of overdue amounts due from banks and other financial institutions and overdue loans and advances to customers (continued)

As at 30 June 2026, the loans and advances to customers of RMB61,070 million of the above overdue loans and advances were credit-impaired (As at 31 December 2025, the loans and advances to customers of RMB50,462 million of the above overdue loans and advances were credit-impaired).

Loans and advances to customers overdue for more than 3 months:

	30 June 2026	*31 December 2025*
Secured portion	36,937	26,721
Unsecured portion	24,133	23,741
Total	61,070	50,462
Allowance for impairment losses	(40,584)	(28,891)
Net balance	20,486	21,571
Maximum exposure covered by pledge and collateral held	36,961	28,712

The fair value of collateral was estimated by management based on the latest revaluation including available external valuation, if any, adjusted by taking into account the current realisation experience as well as market situation.

7 Non-bank Mainland China exposures

The Bank is a commercial bank incorporated in the Mainland China with its banking business primarily conducted in Mainland China. As of 30 June 2026, the majority of the Bank's non-bank exposures arose from businesses with Mainland China entities or individuals. Analyses of various types of exposures by counterparties have been disclosed in the notes to the consolidated interim financial statements.