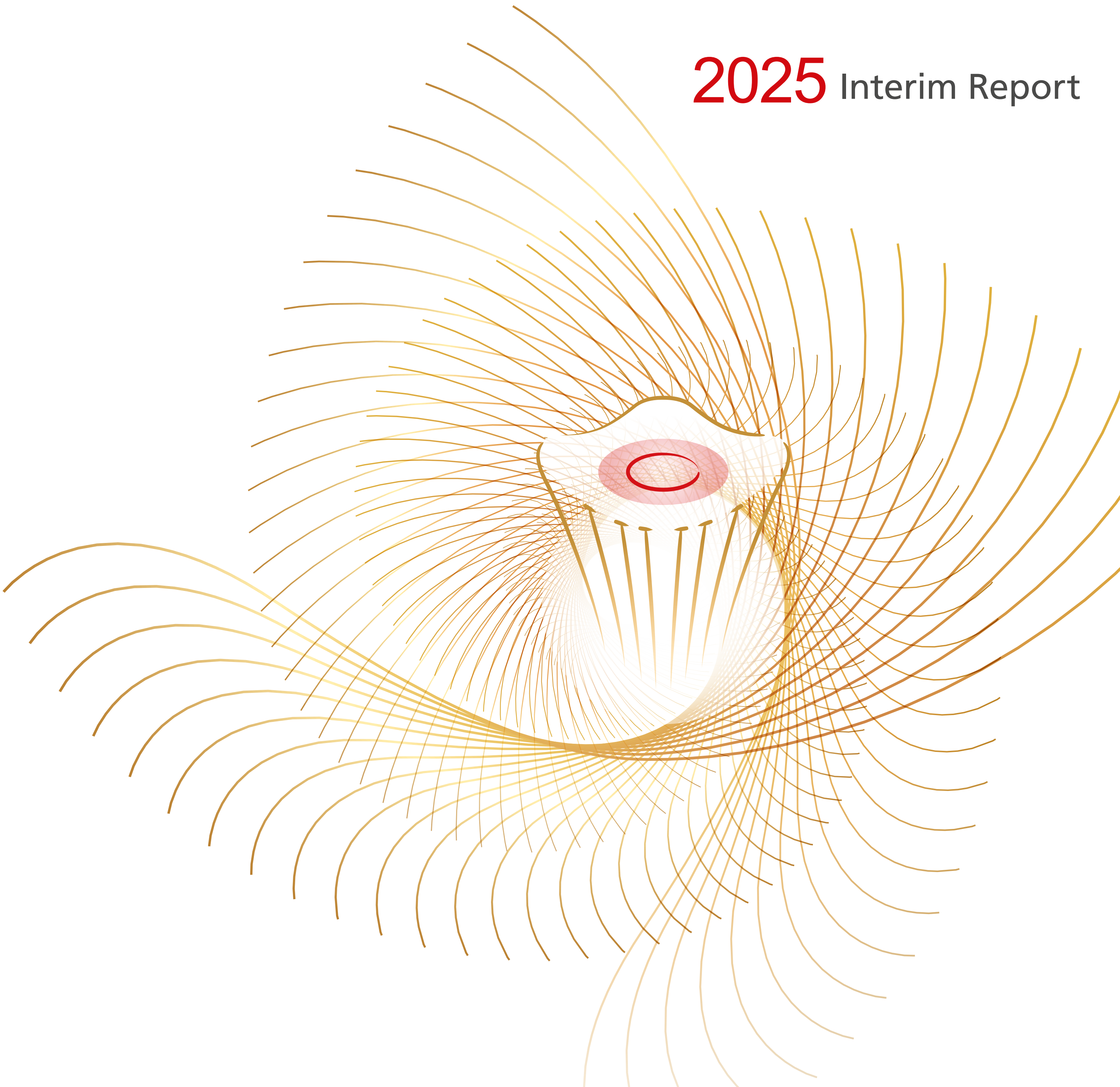
中信銀行
CHINA CITIC BANK

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

Stock Code: 0998

2025 Interim Report



Important Notice

The Board of Directors, the Board of Supervisors, directors, supervisors and senior management of the Bank guarantee that the information contained in the 2025 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 full text and summary of the Bank's 2025 Interim Report on 27 August 2025. Nine of the nine directors attended the meeting. The supervisors and senior management of the Bank attended the meeting as non-voting delegates.

Interim Profit Distribution Plan: The Chapter 3 "Environment, Society and Governance (ESG) – Interim Profit Distribution for 2025" disclosed the Interim Profit Distribution Plan for 2025 which has been reviewed and approved by the Board of Directors to submit to an extraordinary general meeting. The plan proposes to pay a cash dividend of RMB1.88 per 10 shares (tax inclusive). In the first half of 2025, the Bank did not convert capital reserve to share capital.

The 2025 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 Hong Kong SAR respectively.

Mr. Fang Heying as Chairman and executive director of the Bank, Mr. Lu Wei as executive director and President (in charge of finance and accounting work) of the Bank, 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 2025 Interim Report.

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 maintain adequate risk awareness of such statements 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 thereof, 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.


中信银行
CHINA CITIC BANK
中信银行，让财富有温度
全国统一客服热线
95558
www.citicbank.com

Contents

Vision

Become a responsible, unique, valuable and caring bank and strive to be a competitive player among the world's first-class banks.

Strategy

Becoming a leading wealth management bank, a leading comprehensive financing bank, a leading trading settlement bank, a leading forex service bank, and a leading digital bank.

Brand motto

The more we care, the more you gain.

Performance Overview

Operating performance:

Operating income
105.426 billion RMB

Total assets
9,858.466 billion RMB

Net profit attributable to the shareholders of the Bank
36.478 billion RMB

Operating income growth
2.78%

Profitability:

ROAA
0.77%

ROAE
9.86%

Cost-to-income ratio
27.04%

Net interest margin
1.63%

Asset quality:

NPL ratio
1.16%

Allowance coverage ratio
207.53%

The ratio of allowance for impairment of loans to total loans
2.40%

Core Business Capabilities:

Balance of comprehensive finance
14.78 trillion RMB

Scale of Wealth Management
5.25 trillion RMB

Scale of wealth management products
2.13 trillion RMB

Customer base:

Online monthly active users
37.3788 million

Corporate customers
1.3286 million

Personal customers
149 million

Note: Figures under "Customer base" are data of the Bank and others are data of the Group.

Definitions

the reporting period	From 1 January 2025 to 30 June 2025
the Bank/China CITIC Bank/ CITIC Bank/CNCB	China CITIC Bank Corporation Limited
the Group	China CITIC Bank Corporation Limited and its subsidiaries
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. (formerly known as Xinhu Zhongbao 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 Wealth Management	CITIC Wealth Management Corporation Limited
CNCB Investment	CNCB (Hong Kong) Investment Co., Ltd. (formerly known as China Investment and Finance Limited)
former CBIRC	former China Banking and Insurance Regulatory Commission
former CBRC	former China Banking Regulatory Commission
China Tobacco	China National Tobacco Corporation
CSRC	China Securities Regulatory Commission
CITIC aiBank	CITIC aiBank Corporation Limited
CITIC Limited	CITIC Limited (formerly known as CITIC Pacific Limited prior to renaming in August 2014
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
CITIC Pacific	CITIC Pacific Limited
CNCBI	CITIC Bank International Limited (formerly known as CITIC Ka Wah Bank Limited)
CITIC Corporation Limited	CITIC Corporation Limited (formerly known as CITIC Limited prior to renaming in August 2014)

(Note: The definitions are arranged in the alphabetic order of Mandarin Pin Yin)

Chapter 1 Corporate Introduction

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	Zhang Qing
Joint Company Secretaries	Zhang Qing, Cheung Yuet Fan (FCG, HKFCG)
Securities Representative	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 Telephone Number	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)
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	East & Concord Partners
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

[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.

Listing Exchanges, Stock Name and Stock Code	A-share	Ordinary shares CNCB Preference shares CITIC Excellent 1	Shanghai Stock Exchange 601998 Shanghai Stock Exchange 360025
	H-share	Ordinary shares CITIC Bank	The Stock Exchange of Hong Kong Limited 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: Stable Fitch Ratings: Default rating: BBB+ 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	Zhang Qing	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 2025**	Six months ended 30 June 2024	Growth rate (%)	Six months ended 30 June 2023
Operating income	**105,426**	108,640	(2.96)	105,885
Profit before tax	**46,622**	43,751	6.56	42,367
Net profit attributable to the equity holders of the Bank	**36,478**	35,490	2.78	36,067
Net cash flow from/(used in) operating activities	**28,651**	(341,909)	Negative in the same period of the previous year	(123,018)
Per share				
Basic earnings per share (RMB/share)	**0.62**	0.66	(6.06)	0.70
Diluted earnings per share (RMB/share)	**0.61**	0.64	(4.69)	0.63
Net cash flows from/(used in) operating activities per share (RMB)	**0.51**	(6.40)	Negative in the same period of the previous year	(2.51)

1.3.2 Profitability Indicators

Item	**Six months ended 30 June 2025**	Six months ended 30 June 2024	Increase/(decrease) in percentage point	Six months ended 30 June 2023
Return on average assets (ROAA)(1)	**0.77%**	0.79%	(0.02)	0.85%
Return on average equity (ROAE, not including non-controlling equity)(2)	**9.86%**	10.83%	(0.97)	12.32%
Cost-to-income ratio (excluding tax and surcharges)(3)	**27.04%**	27.46%	(0.42)	26.64%
Credit cost(4)	**0.89%**	1.09%	(0.20)	1.05%
Net interest spread(5)	**1.60%**	1.71%	(0.11)	1.81%
Net interest margin(6)	**1.63%**	1.77%	(0.14)	1.85%

Note:
(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 (ROEA) = net profit attributable to the ordinary shareholders of the Bank (annualized)/the average of beginning and ending total equity attributable to the ordinary shareholders of the Bank.
(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 on 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 2025**	31 December 2024	Growth rate (%)	31 December 2023
Total assets	**9,858,466**	9,532,722	3.42	9,052,484
Total loans and advances to customers(1)	**5,801,900**	5,720,128	1.43	5,498,344
– Corporate loans	**3,225,599**	2,908,117	10.92	2,697,150
– Discounted loans	**225,546**	449,901	(49.87)	517,348
– Personal loans	**2,350,755**	2,362,110	(0.48)	2,283,846
Total liabilities	**9,025,501**	8,725,357	3.44	8,317,809
Total deposits from customers(1)	**6,106,907**	5,778,231	5.69	5,398,183
– Corporate demand deposits(2)	**2,106,389**	2,054,271	2.54	2,187,273
– Corporate time deposits	**2,218,007**	2,062,315	7.55	1,745,094
– Personal demand deposits	**501,151**	439,965	13.91	340,432
– Personal time deposits	**1,281,360**	1,221,680	4.89	1,125,384
Deposits from banks and non-bank financial institutions	**705,046**	968,492	(27.20)	927,887
Placements from banks and non-bank financial institutions	**111,842**	88,550	26.30	86,327
Total equity attributable to the equity holders of the Bank	**814,301**	789,264	3.17	717,222
Total equity attributable to the ordinary shareholders of the Bank	**709,353**	684,316	3.66	602,281
Net asset per share attributable to the ordinary shareholders of the Bank (RMB)	**12.75**	12.58	1.35	12.30

Note: (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, 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 the relevant items in the balance sheet. The Group has prepared the financial statements according to requirements in the above notice since 2018. For the convenience of analysis, "total loans and advances to customers" and "total deposits from customers" hereby 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 2025**	31 December 2024	Increase/ (decrease) in percentage point	31 December 2023
NPL ratio(1)	**1.16%**	1.16%	–	1.18%
Allowance coverage ratio(2)	**207.53%**	209.43%	(1.90)	207.59%
Ratio of allowance for loan impairment losses to total loans(3)	**2.40%**	2.43%	(0.03)	2.45%

Note: (1) NPL ratio = balance of non-performing loans/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 2025**	31 December 2024	Increase/ (decrease) in percentage point	31 December 2023
Capital adequacy profile					
Core tier-one capital adequacy ratio	≥8.00%	**9.49%**	9.72%	(0.23)	8.99%
Tier-one capital adequacy ratio	≥9.00%	**10.94%**	11.26%	(0.32)	10.75%
Capital adequacy ratio	≥11.00%	**13.47%**	13.36%	0.11	12.93%
Leverage profile					
Leverage ratio	≥4.25%	**6.98%**	7.06%	(0.08)	6.66%
Liquidity risk profile					
Liquidity coverage ratio	≥100%	**137.45%**	218.13%	(80.68)	167.48%
Liquidity ratio					
Including: Local and foreign currencies	≥25%	**66.83%**	72.08%	(5.25)	52.79%
Renminbi	≥25%	**68.72%**	73.47%	(4.75)	52.00%
Foreign currencies	≥25%	**57.02%**	67.23%	(10.21)	64.83%

Note: The figures in the table were calculated in accordance with the regulatory consolidation standards of NFRA.

1.3.6 Differences between PRC Accounting Standards and IFRS Accounting Standards

There is no difference between the net assets on 30 June 2025 and the net profit for the reporting period of the Group calculated according to the PRC accounting standards and those calculated as per the International Financial Reporting Standards (IFRS) accounting standards.

Chapter 2 Management Discussion and Analysis

2.1 Industry Overview of the Company

Since the beginning of this year, the external environment has become more complex and challenging, global growth momentum has weakened, while China's economy has maintained steady progress and achieved new gains in high-quality development. Key economic indicators have performed well, new quality productive forces have made new progress, reform and opening-up have further deepened, risks in major areas have been effectively prevented and mitigated, and efforts to meet people's basic living needs have been further strengthened, showcasing the strong vitality and resilience of China's economy. In the first half of the year, China's GDP grew by 5.3% year-on-year, with value added in the primary, secondary, and tertiary industries increasing by 3.7%, 5.3%, and 5.5%, respectively.

A proactive fiscal policy has been implemented, focusing on stabilizing employment, enterprises, markets, and expectations, with full efforts to consolidate the fundamentals of economic growth and social stability. Policy implementation has been accelerated, with multiple measures taken to support enterprises in difficulties. Fiscal funds have played a guiding and leveraging role, supporting initiatives such as implementing major national strategies, strengthening security capacity in key areas, large-scale equipment renewals, and consumer goods trade-ins, and advancing policies to boost consumption, expand investment, stabilize foreign trade, and improve livelihood, ensuring earlier and greater policy results. Special-purpose funds, tax incentives, and government procurement policies have been coordinated to upgrade traditional industries and foster the growth of emerging and future industries. A stronger approach to improve the people's well-being has been adopted, with enhanced support for stabilizing and expanding employment. Subsidy policies in education, elderly care, healthcare, preferential treatment, and child care have been effectively implemented, creating new room for domestic demand growth by improving people's livelihood.

A moderately accommodative monetary policy stance has been maintained. On the quantitative front, monetary policy tools such as reserve requirement ratio cuts have been employed to ensure ample liquidity and strengthen medium- to long-term liquidity support. On the price front, interest rate instruments have played a key role, with lower policy rates, rates of structural monetary policy tools, and rates of personal housing provident fund loans. Efforts have been made to address irregularities in interest rate practices, strengthen interest rate self-regulation, and lower social financing costs. On the structural front, various structural monetary policy tools have been utilized. Relending facilities for consumption and elderly care have been introduced, quotas for relending in sci-tech innovation and technical transformation have been expanded, and risk-sharing tools for sci-tech innovation bonds have been created. These measures have strengthened support for sci-tech innovation, consumption, small and micro-sized enterprises, and stable foreign trade, fostering a favorable monetary and financial environment for sustained economic recovery.

In terms of regulatory policies, efforts have been coordinated to prevent risks, strengthen regulation, and promote high-quality development. Solid progress has been made in reforming and mitigating risks in small and medium-sized financial institutions. Key sector risks have been effectively prevented and resolved, while illegal financial activities have been strictly curbed and cracked down on, ensuring that no systemic risks arise. Focus has been on addressing substantive risks and practical issues, standardizing the operations of financial institutions, strengthening financial consumer rights protection, and continuously enhancing the precision and effectiveness of regulation. Financial supply for high-quality urban development has been strengthened, with support for special initiatives to boost consumption, enhanced financing guarantees for effective investment, and improved financial services for stabilizing enterprises and foreign trade. These efforts have better supported the development of new quality productive forces and contributed to achieving the annual economic and social development goals.

In the first half of 2025, the banking industry operated in a generally stable manner, and saw growth in total assets, featuring further strengthened financial services, stable credit asset quality, sufficient risk offsetting capability, and stable liquidity indicators. As of the end of June 2025, the total assets in both domestic and foreign currencies of China's banking institutions reached RMB467.3 trillion, an increase of 7.9% year on year. The non-performing loan (NPL) ratio of commercial banks stood at 1.49%, down by 0.02 percentage points from the end of the previous quarter, while the allowance coverage ratio rose to 211.97%, up by 3.84 percentage points from the end of the previous quarter. In the first half of 2025, commercial banks achieved a cumulative net profit of RMB1.2 trillion. The current operating environment for banks is undergoing profound transformation and adjustment. Commercial banks shall accurately assess and adapt to changes, maintain adequate policy sensitivity and market awareness, continuously optimize the scale and structure of the asset and liability businesses, and deliver high-quality financial services to support economic, comprehensively strengthen risk and internal control management and social development.

2.2 Main Business of the Company

Relying on the comprehensive strength of the CITIC Group in terms of "Finance + 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, pursuit of benefits through righteous means, steadiness and prudence, integrity and innovation, and legal compliance. Being customer-centric, the Bank worked to create a distinctive and differentiated model for financial services by implementing the "Five Leading"[3] strategy. For government and institutional customers, corporate customers and inter-bank market 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 both government and institutional, corporate, inter-bank market 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.

2.3 Core Competitiveness Analysis

Standardized and efficient corporate governance. The Bank made great headway in boosting the building of a modern enterprise with Chinese characteristics, and persisted to the "Two Consistent Adherence"[4]. Through standardized, science-based and effective management, it constantly improved its corporate governance and business operation systems and mechanisms, forming 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 corporate governance framework comprised of the Board of Directors, the Board of Supervisors, the general meeting of shareholders, 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 with the Head Office departments as the lines and the branches and sub-branches as the arrays. The governing bodies of the Bank such as the general meeting of shareholders, the Board of Directors, the Board of Supervisors, and the senior management functioned according to rules and performed duties effectively.

Significant edges in synergy. Giving into full play the CITIC Group's advantages of "full financial licenses and wide industrial coverage" and following the development principle of "One CITIC, One Customer", the Bank intensified efforts in Group-wide synergy and inter-bank synergy, drove the in-depth integration of synergy with business development and customer management, created featured, coordinated service scenarios for the "Five Priorities" of technology finance, green finance, inclusive finance, pension finance and digital finance, capital markets, cross-border finance, low-altitude economy, and risk mitigation, and actively strengthened synergy to deliver one-stop, customized, multi-scenario, and full-lifecycle comprehensive financial services. By positioning synergy as its differentiated competitive advantage and core strength, the Bank enhanced its capabilities to serve the real economy with greater quality and efficiency.

Vigorous explorations and innovations. As China's first commercial bank participating in financing at both domestic and international financial markets, the Bank is renowned at home and abroad for brushing numerous track records in the modern Chinese financial history. It has the genes of innovation and drives its development through innovation as well. The Bank has carried forward the CITIC style of exploration and innovation. It further boosted innovation in products and services, and gained unique competitive advantages in businesses such as investment banking, cross-border business, institutional banking business, transaction banking, wealth management, going abroad finance, pension finance and forex market making.

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2 A bank with "Four Features": a responsible, unique, valuable and caring provider of the best comprehensive financial services.

3 A leading wealth management bank, a leading comprehensive financing bank, a leading trading settlement bank, a leading forex service bank, and a leading digital bank.

4 "Two Consistent Adherence": the Party leadership over state-owned enterprises as a significant political principle and the establishment of a modern enterprise system as the direction of the reform of state-owned enterprises must be adhered to.

Scientific and effective risk prevention and control. The Bank continued to improve the risk management system in which risks can be put under control and development can be 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 "Integration of Five Policies"[5] in depth, intensified research on industries aligned with the country's strategic priorities, and promptly adjusted credit policies in response to market dynamics, policy orientation, and regulatory requirements, and guide asset allocation in a forward-looking manner so as to continuously optimize the credit structure. With consistent efforts in controlling new risks and resolving existing ones, the Bank proactively managed asset quality and prevented the downward transfer of risks. Meanwhile, it took multiple measures to expand disposal channels, optimize disposal strategies, and amplify the leveraging effect of resources. These efforts aimed to maintain overall stable asset quality while increasing disposal value. Additionally, the Bank advanced digital risk control to elevate technology-driven prevention and AI-powered control capabilities.

All-around empowerment by FinTech. Adhering to technology empowerment and innovation as the core driving force, the Bank comprehensively empowered business development and strove to be a top technology-driven bank. The Bank comprehensively strengthened product and service competitiveness and promoted digital transformation of management, business, and operation models. The Bank built a cloud-native technology and capability system and integrated technological innovations such as artificial intelligence (AI), big data, and blockchain in all business fields. As a result, the Bank's capability of using FinTech to comprehensively empower businesses improved significantly and FinTech has become an important productive force and driving force for the development of the Bank.

Fostering corporate culture as a solid foundation for development. The Bank regards the cultivation of a financial culture with Chinese characteristics as the fundamental guide for its corporate culture efforts. It has firmly embedded the principle of "Five Dos and Five Don'ts"[6] into all aspects of operation development and business practice, and upheld a correct view of performance, operation, and development to ensure the political and people-oriented nature of financial work, which provided strong value orientation and ideological foundation for building a "Five Leading" Bank. During the reporting period, the Bank issued *Special Action Plan for Cultivating a Financial Culture with Chinese Characteristics*, which accelerated the development of a financial culture that reflects the needs of the times, embodied the unique characteristics of China CITIC Bank, and aligned with business understanding, thereby infusing strong cultural momentum into the Bank's high-quality development. At the same time, the Bank organized a wide range of initiatives, including cultural salons, reading forums, and charitable activities, to promote fine traditional Chinese culture and core socialist values. It also made notable progress in advancing corporate cultural development by guiding all employees to embody dedication, gratitude, and the spirit of service, and serve the "Five Priorities" through strong public ethics, professional integrity, and personal and family virtues.

Professional and brilliant talent team. The Bank firmly upheld the principle that talent is its most valuable resource, with a strong emphasis on capability and value contribution. It systematically advanced Bank-wide human resources management reform through the integrated optimization of the position hierarchy, performance evaluation, and remuneration system, thereby revitalizing organizational dynamics, motivating talent, and improving overall efficiency. The Bank continued to refine the institutions and mechanisms for talent work that are compatible with the strategy, support development and drive transformation, further advanced the *14th Five-Year Talent Development Plan of China CITIC Bank Corporation Limited*, and strengthened talent allocation in key regions and areas. The Bank actively promoted its view of talent of "uniting those in progression, inspiring those of action, and promoting those with achievement". Additionally, it upgraded the "Sailing a Hundred Ships" talent development program across the Bank, expanding its coverage across all professional fields to enable more high-performing individuals to emerge. The Bank's talent development programs were further updated, with business lines and departments taking the lead to make training more systematic, targeted, and effective. Through these efforts, the Bank worked to cultivate a professional workforce capable of supporting the "Five Priorities" and advancing the "Five Leading" strategy.

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5 The integration of industry research, credit policies, approval standards (guidelines), marketing guidelines, and evaluation and resource allocation.

6 "Five Dos and Five Don'ts": be honest and trustworthy and don't overstep boundaries; seek profit with integrity and don't be driven solely by profit; act prudently and cautiously and don't seek short-term expediency; adhere to fundamental principles and break new ground and don't excessively shift away from the real economy to the virtual economy; comply with laws and regulations and don't engage in misconduct.

Brand image deeply rooted among the people. The Bank has always been committed to upholding the CPC and national policies, put into practice the new development philosophy, and worked to build a high-quality financial brand, so as to become 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, took brand communication as the lead, and formulated the *2025 Branding Plan of China CITIC Bank*, coordinating the 3-level branding efforts at the whole bank. With business communication as the pillar, it effectively promoted its practices in serving the "Five Priorities" in finance and held specialized initiatives on boosting consumption, promoting the synergy between brand and business. With daily communication as the cornerstone, the Bank coordinated marketing and communication, and incorporated traditional solar terms and festivals into branding efforts so as to deepen the connection between the brand and customers. During the reporting period, China CITIC Bank once again ranked 19th in the list of "Top 500 Banking Brands" by Brand Finance, with the increase in the ranking maintaining No. 1 among banks from Chinese mainland, reflecting the market's high recognition.

2.4 Overview of Operating Results

During the reporting period, in face of the complex and challenging external environment, the Group earnestly implemented the decisions and plans of the CPC Central Committee and the State Council, strictly followed regulatory requirements, comprehensively enhanced the quality and efficiency of the "Five Priorities" of the financial sector, and adhered to the four major business themes, promoting the healthy development of various businesses and sustaining the positive development trend.

Net profit grew continuously, and operating income slightly declined. During the reporting period, the Group achieved a net profit attributable to the shareholders of the Bank of RMB36.478 billion, a year-on-year increase of 2.78%; operating income reached RMB105.426 billion, a year-on-year decrease of 2.96%. Specifically, net interest income was RMB71.201 billion, a year-on-year decrease of 1.94%; non-interest net income was RMB34.225 billion, a year-on-year decrease of 5.01%. As for the quarterly trend, the Group's net profit attributable to the shareholders of the Bank in the second quarter grew by 4.11% year on year, which is 2.45 percentage points higher than the first quarter. And the operating income in the second quarter declined by 2.29%, 1.36 percentage points lower than the first quarter, indicating improving performance trend.

Asset quality remained generally stable, with strong resilience against risks. As at the end of the reporting period, the Group's non-performing loan balance was RMB67.134 billion, an increase of RMB649 million or 0.98% from the end of the previous year; the NPL ratio was 1.16%, flat with the end of the previous year; the allowance coverage ratio was 207.53%, down by 1.90 percentage points from the end of the previous year but up by 0.42 percentage points compared with the end of first quarter.

The scale of assets and liabilities continued to grow, and the structure was further optimized. As at the end of the reporting period, the total assets of the Group amounted to RMB9,858.466 billion, an increase of 3.42% from the end of the previous year. During the reporting period, the Group actively supported the real economy, with loans to key areas such as green credit, strategic emerging industries, medium and long-term loans to manufacturing enterprises, inclusive finance, and agriculture-related loans, maintaining sound growth, and improving quality and efficiency of services for the real economy. Total loans and advances to customers (excluding accrued interest) were RMB5,801.900 billion, an increase of 1.43% from the end of the previous year; total deposits from customers (excluding accrued interest) were RMB6,106.907 billion, an increase of 5.69% from the end of the previous year.

2.5 Analysis of the Financial Statements

2.5.1 Income Statement Analysis

During the reporting period, the Group realized RMB36.478 billion net profit attributable to the shareholders of the Bank, an increase of 2.78% year on year. 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 2025**	Six months ended 30 June 2024	Increase/ (decrease)	Growth rate (%)
Operating income	**105,426**	108,640	(3,214)	(2.96)
– Net interest income	**71,201**	72,608	(1,407)	(1.94)
– Net non-interest income	**34,225**	36,032	(1,807)	(5.01)
Operating expenses	**(29,628)**	(30,958)	1,330	(4.30)
Credit and other asset impairment losses	**(29,586)**	(34,413)	4,827	(14.03)
Profit before tax	**46,622**	43,751	2,871	6.56
Income tax	**(9,548)**	(7,880)	(1,668)	21.17
Profit for the year	**37,074**	35,871	1,203	3.35
Including: Net profit attributable to the shareholders of the Bank	**36,478**	35,490	988	2.78

2.5.1.1 Operating income

During the reporting period, the Group realized operating income of RMB105.426 billion, down by 2.96% year on year, of which net interest income accounted for 67.5%, up by 0.7 percentage points year on year, and net non-interest income accounted for 32.5%, down by 0.7 percentage points year on year.

Unit: %

Item	**Six months ended 30 June 2025**	Six months ended 30 June 2024
Share of net interest income	**67.5**	66.8
Share of net non-interest income	**32.5**	33.2
Total	**100.0**	100.0

2.5.1.2 Net interest income

During the reporting period, the Group realized RMB71.201 billion of net interest income, a decrease of RMB1.407 billion or 1.94% year on year. The table below sets out the average balances and average interest rates of the Group's interest-earning assets and interest-bearing liabilities. Average balances of assets and liabilities are average daily balances.

Unit: RMB million

	Six months ended 30 June 2025			Six months ended 30 June 2024		
Item	Average balance	Interest	Average yield/ cost rate (%)	Average balance	Interest	Average yield/ cost rate (%)
Interest-earning assets						
Loans and advances to customers	5,780,864	108,622	3.79	5,531,224	119,733	4.35
Financial investments[(1)]	2,041,633	26,478	2.62	1,902,587	27,718	2.93
Deposits with the central bank	350,766	2,771	1.59	365,258	2,994	1.65
Deposits and placements with, and loans to, banks and non-bank financial institutions	558,553	6,642	2.40	375,708	5,844	3.13
Financial assets held under resale agreements	68,841	609	1.78	66,870	644	1.94
Subtotal	8,800,657	145,122	3.33	8,241,647	156,933	3.83
Interest-bearing liabilities						
Deposits from customers	5,890,824	48,244	1.65	5,404,413	53,283	1.98
Deposits and placements from banks and non-bank financial institutions	944,574	7,800	1.67	988,500	11,045	2.25
Debt certificates issued	1,327,242	13,597	2.07	1,129,949	14,201	2.53
Borrowings from the central bank	110,138	1,104	2.02	274,469	3,410	2.50
Financial assets sold under repurchase agreements	309,732	2,935	1.91	200,669	2,129	2.13
Others	13,586	241	3.58	11,409	257	4.53
Subtotal	8,596,096	73,921	1.73	8,009,409	84,325	2.12
Net interest income		71,201			72,608	
Net interest spread[(2)]			1.60			1.71
Net interest margin[(3)]			1.63			1.77

Note: (1) Financial investments included 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 the six months ended 30 June 2025 and those ended 30 June 2024		
	Scale factor	**Interest rate factor**	**Total**
Assets			
Loans and advances to customers	**5,400**	**(16,511)**	**(11,111)**
Financial investments	**2,026**	**(3,266)**	**(1,240)**
Deposits with the central bank	**(119)**	**(104)**	**(223)**
Deposits and placements with, and loans to, banks and non-bank financial institutions	**2,846**	**(2,048)**	**798**
Financial assets held under resale agreements	**19**	**(54)**	**(35)**
Changes in interest income	**10,172**	**(21,983)**	**(11,811)**
Liabilities			
Deposits from customers	**4,789**	**(9,828)**	**(5,039)**
Deposits and placements from banks and non-bank financial institutions	**(491)**	**(2,754)**	**(3,245)**
Debt certificates issued	**2,482**	**(3,086)**	**(604)**
Borrowings from the central bank	**(2,043)**	**(263)**	**(2,306)**
Financial assets sold under repurchase agreements	**1,155**	**(349)**	**806**
Others	**49**	**(65)**	**(16)**
Changes in interest expense	**5,941**	**(16,345)**	**(10,404)**
Changes in net interest income	**4,231**	**(5,638)**	**(1,407)**

Net Interest Margin and Net Interest Spread

During the reporting period, the Group's net interest margin and net interest spread registered 1.63% and 1.60% respectively, representing a year-on-year decrease of 0.14 percentage points and 0.11 percentage points. The Group's yield of interest-earning assets was 3.33%, down by 0.50 percentage points year on year; the cost rate of interest-bearing liabilities was 1.73%, down by 0.39 percentage points year on year. During the reporting period, the Group firmly implemented the management requirements of balancing quantity and pricing. In terms of assets, it optimized the business structure to stabilize the income level; in terms of liabilities, it followed the downward trend of deposit interest rates and guided the reduction of deposit cost rates across different maturities in an orderly manner. Focusing on both assets and liabilities, the Group stabilized the total quantity, optimized the structure, and kept the net interest margin stable through a combination of measures.

2.5.1.3 Interest Income

During the reporting period, the Group realized an interest income of RMB145.122 billion, a decrease of RMB11.811 billion or 7.53% year on year, mainly due to the decline in the yields on interest-earning assets. The proportion of interest income from loans and advances to customers, interest income from financial investments, interest income from deposits with the central bank, 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 was 74.85%, 18.24%, 1.91%, 4.58% and 0.42%, respectively. Interest income from loans and advances to customers was the main component of interest income.

Interest Income from Loans and Advances to Customers

During the reporting period, the Group recorded RMB108.622 billion interest income from loans and advances to customers, a decline of RMB11.111 billion or 9.28% year on year, primarily because the average yield of loans and advances to customers decreased by 0.56 percentage points, which offset the impact of an increase of RMB249.640 billion in the average balance. Specifically, with corporate loans' average yield down by 0.57 percentage points yet its average balance up by RMB316.212 billion, its interest income went down by RMB2.458 billion; with personal loans' average yield down by 0.69 percentage points yet its average balance up by RMB40.257 billion, its interest income went down by RMB7.187 billion.

Classification by Maturity Structure

Unit: RMB million

	Six months ended 30 June 2025			Six months ended 30 June 2024		
Item	**Average balance**	**Interest income**	**Average yield (%)**	Average balance	Interest income	Average yield (%)
Short-term loans	**1,795,271**	**38,274**	**4.30**	1,853,322	42,975	4.66
Medium to long-term loans	**3,985,593**	**70,348**	**3.56**	3,677,902	76,758	4.20
Total	**5,780,864**	**108,622**	**3.79**	5,531,224	119,733	4.35

Classification by Business

Unit: RMB million

	Six months ended 30 June 2025			Six months ended 30 June 2024		
Item	**Average balance**	**Interest income**	**Average yield (%)**	Average balance	Interest income	Average yield (%)
Corporate loans	**3,140,167**	**56,826**	**3.65**	2,823,955	59,284	4.22
Personal loans	**2,329,446**	**50,006**	**4.33**	2,289,189	57,193	5.02
Discounted loans	**311,251**	**1,790**	**1.16**	418,080	3,256	1.57
Total	**5,780,864**	**108,622**	**3.79**	5,531,224	119,733	4.35

Interest Income from Financial Investments

During the reporting period, the Group's interest income from financial investments amounted to RMB26.478 billion, a decrease of RMB1.240 billion or 4.47% year on year, mainly attributable to a fall of 0.31 percentage points in the average yield of financial investments, which offset the impact of an increase of RMB139.046 billion in the average balance.

Interest Income from Deposits with the Central Bank

During the reporting period, the Group's interest income from deposits with the central bank stood at RMB2.771 billion, a decrease of RMB223 million or 7.45% year on year, mainly due to a decrease of RMB14.492 billion in the average balance of deposits with the central bank and a decrease of 0.06 percentage points in the average yield.

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 RMB6.642 billion, an increase of RMB798 million or 13.66% year on year, mainly due to an increase of RMB182.845 billion in the average balance which offset the impact of a decline of 0.73 percentage points in the average yield of deposits and placements with, and loans to banks and non-bank financial institutions.

Income from Financial Assets Held under Resale Agreements

During the reporting period, the Group recorded RMB609 million interest income from financial assets held under resale agreements, a decrease of RMB35 million or 5.43% year on year, mainly attributable to a decrease of 0.16 percentage points in the average yield which offset the impact of an increase of RMB1.971 billion in the average balance of financial assets held under resale agreements.

2.5.1.4 Interest Expense

During the reporting period, the Group's interest expense was RMB73.921 billion, a decrease of RMB10.404 billion or 12.34% year on year, mainly attributable to a decline 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 RMB48.244 billion, a decrease of RMB5.039 billion or 9.46% year on year, mainly due to a drop of 0.33 percentage points in the average cost rate, which offset the impact of an increase of RMB486.411 billion in the average balance of deposits from customers.

Unit: RMB million

	Six months ended 30 June 2025			Six months ended 30 June 2024		
Item	Average balance	Interest expense	Average cost rate (%)	Average balance	Interest expense	Average cost rate (%)
Corporate deposits						
Time deposits	**2,242,296**	**25,142**	**2.26**	1,696,077	22,758	2.70
Demand deposits	**1,934,339**	**6,533**	**0.68**	2,214,819	13,518	1.23
Subtotal	**4,176,635**	**31,675**	**1.53**	3,910,896	36,276	1.87
Personal deposits						
Time deposits	**1,272,274**	**16,260**	**2.58**	1,132,742	16,519	2.93
Demand deposits	**441,915**	**309**	**0.14**	360,775	488	0.27
Subtotal	**1,714,189**	**16,569**	**1.95**	1,493,517	17,007	2.29
Total	**5,890,824**	**48,244**	**1.65**	5,404,413	53,283	1.98

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 RMB7.800 billion, a decrease of RMB3.245 billion or 29.38% year on year, mainly due to a drop of 0.58 percentage points in the average cost rate and a decrease of RMB43.926 billion in the average balance of deposits and placements from banks and non-bank financial institutions.

Interest Expense on Debt Certificates Issued

During the reporting period, the Group's interest expense on debt certificates issued stood at RMB13.597 billion, a decrease of RMB604 million or 4.25% year on year, primarily due to a drop of 0.46 percentage points in the average cost rate of debt certificates issued, which offset the impact of an increase of RMB197.293 billion in the average balance.

Interest Expense on Borrowings from the Central Bank

During the reporting period, the Group's interest expense on borrowings from the central bank reached RMB1.104 billion, a decrease of RMB2.306 billion or 67.62% year on year, mainly due to a drop of RMB164.331 billion in the average balance and a decrease of 0.48 percentage points in the average cost rate of borrowings from the central bank.

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 RMB2.935 billion, an increase of RMB806 million or 37.86% year on year, primarily due to an increase of RMB109.063 billion in the average balance of financial assets sold under repurchase agreements which offset the impact of a drop of 0.22 percentage points in the average cost rate of financial assets sold under repurchase agreements.

Other Interest Expense

During the reporting period, the Group's other interest expense stood at RMB241 million, a decrease of RMB16 million year on year.

2.5.1.5 Net Non-interest Income

During the reporting period, the Group realized RMB34.225 billion of net non-interest income, a decrease of RMB1.807 billion or 5.01% year on year. The proportion of net non-interest income stood at 32.46%, a drop of 0.71 percentage points year on year.

Unit: RMB million

Item	Six months ended 30 June 2025	Six months ended 30 June 2024	Increase/ (decrease)	Growth (%)
Net fee and commission income	**16,906**	16,353	553	3.38
Net trading gain	**3,522**	2,930	592	20.20
Net gain from investment securities	**12,918**	16,279	(3,361)	(20.65)
Net hedging gain	**2**	3	(1)	(33.33)
Other net operating income	**877**	467	410	87.79
Total	**34,225**	36,032	(1,807)	(5.01)

2.5.1.6 Net Fee and Commission Income

During the reporting period, net fee and commission income of the Group reached RMB16.906 billion, an increase of RMB553 million or 3.38% year on year, which accounted for 16.04% of the operating income, an increase of 0.99 percentage points year on year. Among these, commissions for custodian and other fiduciary business went up by RMB1.026 billion or 25.12% year on year; agency fees increased by RMB490 million or 18.81% year on year; guarantee and consulting fees grew by RMB284 million or 11.35% year on year; settlement and clearing fees increased by RMB211 million or 16.23% year on year; bank card fees decreased by RMB977 million or 12.29% year on year. For analysis of reasons under changes in net fee and commission income, please refer to "2.6.4 Non-interest Income" in this chapter.

Unit: RMB million

Item	Six months ended 30 June 2025	Six months ended 30 June 2024	Increase/ (decrease)	Growth rate (%)
Bank card fees	**6,973**	7,950	(977)	(12.29)
Commissions for custodian and other fiduciary business	**5,110**	4,084	1,026	25.12
Agency fees	**3,095**	2,605	490	18.81
Guarantee and consulting fees	**2,786**	2,502	284	11.35
Settlement and clearing fees	**1,511**	1,300	211	16.23
Other fees	**2,560**	271	2,289	844.65
Subtotal of fees and commissions	**22,035**	18,712	3,323	17.76
Fee and commission expense	**(5,129)**	(2,359)	(2,770)	117.42
Net fee and commission income	**16,906**	16,353	553	3.38

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 RMB16.440 billion in total, a year-on-year decrease of RMB2.769 billion, mainly due to the impacts from the market and the high base figure in the same period of the previous year.

2.5.1.8 Operating Expenses

During the reporting period, the Group incurred RMB29.628 billion operating expenses, a decrease of RMB1.330 billion or 4.30% year on year. During the reporting period, the cost-to-income ratio (after deducting tax and surcharges) of the Group stood at 27.04%, down by 0.42 percentage points year on year.

Unit: RMB million

Item	**Six months ended 30 June 2025**	Six months ended 30 June 2024	Increase/ (decrease)	Growth rate (%)
Staff costs	**16,820**	17,160	(340)	(1.98)
Property and equipment expenses and amortization	**5,474**	5,380	94	1.75
Other general operating and administrative expenses	**6,218**	7,293	(1,075)	(14.74)
Subtotal	**28,512**	29,833	(1,321)	(4.43)
Taxes and surcharges	**1,116**	1,125	(9)	(0.80)
Total	**29,628**	30,958	(1,330)	(4.30)
Cost-to-income ratio	**28.10%**	28.50%	Down 0.40 percentage points	
Cost-to-income ratio (after deducting tax and surcharges)	**27.04%**	27.46%	Down 0.42 percentage points	

2.5.1.9 Credit and Other Asset Impairment Losses

During the reporting period, the Group's accrued credit impairment losses and other asset impairment losses totaled RMB29.586 billion, a decrease of RMB4.827 billion or 14.03% year on year. Specifically, the allowance for impairment losses on loans and advances to customers was RMB25.466 billion, representing a decrease of RMB4.508 billion or 15.04% year on year. Please refer to the section "Loan Quality Analysis" in 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 2025**	Six months ended 30 June 2024	Increase/ (decrease)	Growth rate (%)
Loans and advances to customers	**25,466**	29,974	(4,508)	(15.04)
Financial investments	**(81)**	1,386	(1,467)	(105.84)
Interbank business(Note)	**59**	(16)	75	Negative in the same period of the previous year
Other financial assets and accrued interest	**3,433**	2,846	587	20.63
Off-balance-sheet items	**693**	180	513	285.00
Repossessed assets	**16**	43	(27)	(62.79)
Total	**29,586**	34,413	(4,827)	(14.03)

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 RMB9.548 billion, representing an increase of RMB1.668 billion or 21.17% year on year. Effective tax rate during the reporting period stood at 20.48%, up by 2.47 percentage points year on year.

Unit: RMB million

Item	Six months ended 30 June 2025	Six months ended 30 June 2024	Increase/ (decrease)	Growth rate (%)
Profit before tax	**46,622**	43,751	2,871	6.56
Income tax expense	**9,548**	7,880	1,668	21.17
Effective tax rate	**20.48%**	18.01%	Up by 2.47 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 RMB9,858.466 billion, an increase of 3.42% from the end of the previous year, mainly because the Group increased its loans, advances, and financial investments.

Unit: RMB million

	30 June 2025		31 December 2024	
Item	**Balance**	**Proportion (%)**	Balance	Proportion (%)
Total loans and advances to customers	**5,801,900**	**58.8**	5,720,128	60.0
Accrued interest of loans and advances to customers	**23,105**	**0.2**	21,715	0.2
Less: Allowance for impairment losses on loans and advances to customers[1]	**(141,747)**	**(1.4)**	(140,393)	(1.5)
Net loans and advances to customers	**5,683,258**	**57.6**	5,601,450	58.7
Total financial investments	**2,782,875**	**28.2**	2,626,789	27.6
Accrued interest of financial investments	**18,205**	**0.2**	20,246	0.2
Less: Allowance for impairment losses on financial investments[2]	**(26,626)**	**(0.3)**	(26,165)	(0.3)
Net financial investments	**2,774,454**	**28.1**	2,620,870	27.5
Investment in associates and joint ventures	**7,641**	**0.1**	7,349	0.1
Cash and deposits with the central bank	**385,826**	**3.9**	340,915	3.6
Deposits and placements with, and loans to, banks and non-bank financial institutions	**557,450**	**5.7**	532,994	5.6
Financial assets held under resale agreements	**115,331**	**1.2**	136,265	1.4
Others[3]	**334,506**	**3.4**	292,879	3.1
Total	**9,858,466**	**100.0**	9,532,722	100.0

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

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

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

Loans and Advances to Customers

As at the end of the reporting period, the Group recorded RMB5,801.900 billion total loans and advances to customers (excluding accrued interest), up by 1.43% from the end of the previous year. Net loans and advances to customers accounted for 57.6% of total assets, down by 1.1 percentage points from the end of the previous year. The loans and advances to customers measured at amortized cost took up 94.0% 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 2025		31 December 2024	
Item	**Balance**	**Proportion (%)**	Balance	Proportion (%)
Loans and advances to customers measured at amortized cost	**5,451,961**	**94.0**	5,184,765	90.6
Loans and advances to customers measured at fair value through other comprehensive income	**336,472**	**5.8**	523,751	9.2
Loans and advances to customers measured at fair value through profit or loss	**13,467**	**0.2**	11,612	0.2
Total loans and advances to customers	**5,801,900**	**100.0**	5,720,128	100.0

Please refer to the section "Loan Quality Analysis" in 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 RMB2,782.875 billion total financial investments (excluding accrued interest), up by RMB156.086 billion or 5.94% from the end of the previous year, mainly because of the increase in the Group's investments in debt securities.

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

Unit: RMB million

	30 June 2025		31 December 2024	
Item	**Balance**	**Proportion (%)**	Balance	Proportion (%)
Investments in debt securities	**2,086,013**	**75.0**	1,905,229	72.5
Investment funds	**434,773**	**15.6**	427,597	16.3
Trust management plans	**182,874**	**6.6**	191,173	7.2
Directional asset management plan	**27,184**	**1.0**	20,162	0.8
Investment in wealth management products	**3,283**	**0.1**	2,131	0.1
Certificates of deposit and interbank certificates of deposit	**38,768**	**1.4**	70,582	2.7
Investment in equity instruments	**9,980**	**0.3**	9,915	0.4
Total financial investments	**2,782,875**	**100.0**	2,626,789	100.0

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

Unit: RMB million

	30 June 2025		31 December 2024	
Item	**Balance**	**Proportion (%)**	Balance	Proportion (%)
Financial investments measured at fair value through profit or loss	**670,434**	**24.1**	647,398	24.6
Financial investments measured at amortized cost	**1,119,385**	**40.2**	1,131,333	43.1
Financial investments measured at fair value through other comprehensive income	**988,390**	**35.5**	843,356	32.1
Financial investments designated to be measured at fair value through other comprehensive income	**4,666**	**0.2**	4,702	0.2
Total financial investments	**2,782,875**	**100.0**	2,626,789	100.0

Investments in Debt Securities

As at the end of the reporting period, the Group registered RMB2,086.013 billion investments in debt securities, an increase of RMB180.784 billion or 9.49% from the end of the previous year, primarily because of the increased investments in policy bank bonds and business entity bonds.

Classification of Debt Securities Investment by Issuers

Unit: RMB million

	30 June 2025		31 December 2024	
Item	**Balance**	**Proportion (%)**	Balance	Proportion (%)
Banks and non-bank financial institutions	**275,149**	**13.2**	227,117	11.9
Government	**1,457,275**	**69.9**	1,471,789	77.2
Policy banks	**113,123**	**5.4**	28,179	1.5
Business entities	**231,989**	**11.1**	166,631	8.8
Public entities	**8,477**	**0.4**	11,513	0.6
Total	**2,086,013**	**100.0**	1,905,229	100.0

Breakdown of Significant Investments in Financial Debt Securities

The table below sets out the breakdown of major investments in financial debt securities held by the Group as at 30 June 2025.

Unit: RMB million

Name of debt securities	Book value	Maturity date (DD/MM/YY)	Coupon rate (%)	Accrued impairment allowance
2025 Policy Bank Debt Securities	13,548	11/06/2026	1.37	–
2025 Policy Bank Debt Securities	13,152	02/04/2026	1.54	–
2025 Policy Bank Debt Securities	9,280	15/05/2035	1.78	–
2025 Policy Bank Debt Securities	6,578	06/01/2030	1.27	–
2025 Policy Bank Debt Securities	5,626	02/04/2035	1.80	–
2025 Policy Bank Debt Securities	5,064	13/06/2030	1.54	–
2025 Policy Bank Debt Securities	4,333	13/05/2030	1.59	–
2025 Policy Bank Debt Securities	3,933	14/02/2028	1.47	–
2022 Financial Institution Debt Securities	3,354	21/11/2032	3.58	
2025 Policy Bank Debt Securities	3,254	03/01/2035	1.57	–
Total	**68,122**			–

Note: The first phase impairment allowance accrued according to 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 RMB7.641 billion investments in associates and joint ventures, an increase of 3.97% from the end of the previous year. At the end of the reporting period, the Group's balance of allowance for impairment losses on investment in associates and joint ventures was zero. For relevant details, please refer to Note 21 "Investment in Associates and Joint Ventures" to the financial statements.

Unit: RMB million

Item	30 June 2025	31 December 2024
Investments in joint ventures	**7,303**	7,009
Investments in associates	**338**	340
Allowance for impairment losses	**–**	–
Net investments in associates and joint ventures	**7,641**	7,349

Derivatives

The table below sets out major categories and amounts of 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 report.

Unit: RMB million

	30 June 2025			31 December 2024		
	Nominal	Fair value		Nominal	Fair value	
Item	principal	Assets	Liabilities	principal	Assets	Liabilities
Interest rate derivatives	**5,908,949**	**16,548**	**16,515**	4,673,773	21,144	20,791
Currency derivatives	**5,457,161**	**33,909**	**30,154**	4,605,533	64,282	57,090
Other derivatives	**85,393**	**1,612**	**6,365**	94,871	503	3,281
Total	**11,451,503**	**52,069**	**53,034**	9,374,177	85,929	81,162

Repossessed Assets

As at the end of the reporting period, the Group recorded repossessed assets of RMB2.271 billion, and charged RMB1.134 billion allowances for impairment losses on repossessed assets. The book value of repossessed assets stood at RMB1.137 billion.

Unit: RMB million

Item	30 June 2025	31 December 2024
Original value of repossessed assets	**2,271**	2,286
– Land, premises, and buildings	**2,269**	2,284
– Others	**2**	2
Allowances for impairment losses on repossessed assets	**(1,134)**	(1,132)
– Land, premises, and buildings	**(1,134)**	(1,132)
– Others	**–**	–
Total book value of repossessed assets	**1,137**	1,154

Changes in Impairment Allowances

Unit: RMB million

Item	31 December 2024	Accruals/ reversals during the current period	Write-offs/ transfer out during the current period	Others[1]	30 June 2025
Loans and advances to customers[2]	139,240	25,466	(30,983)	5,602	**139,325**
Financial investments[3]	28,666	(81)	–	(27)	**28,558**
Interbank business[4]	328	59	–	(1)	**386**
Other financial assets and accrued interests	12,073	3,433	(2,573)	212	**13,145**
Off-balance-sheet items	9,721	693	–	(6)	**10,408**
Subtotal of allowances for credit impairment	190,028	29,570	(33,556)	5,780	**191,822**
Repossessed assets	1,132	16	(14)	–	**1,134**
Subtotal of allowances for other asset impairments	1,132	16	(14)	–	**1,134**
Total	**191,160**	**29,586**	**(33,570)**	**5,780**	**192,956**

Note: (1) Including recovery of write-offs and impacts of exchange rate changes.

(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 impairment losses on financial investments measured at fair value through other comprehensive income.

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

2.5.2.2 Liabilities

As at the end of the reporting period, the Group recorded total liabilities of RMB9,025.501 billion, up by 3.44% from the end of the previous year, primarily due to the increase in deposits from customers and debt certificates issued.

Unit: RMB million

	30 June 2025		31 December 2024	
Item	**Balance**	**Proportion (%)**	Balance	Proportion (%)
Borrowings from the central bank	**131,186**	**1.4**	124,151	1.4
Deposits from customers	**6,192,094**	**68.6**	5,864,311	67.2
Deposits and placements from banks and non-bank financial institutions	**816,888**	**9.1**	1,057,042	12.1
Financial assets sold under repurchase agreements	**347,163**	**3.8**	278,003	3.2
Debt certificates issued	**1,376,440**	**15.3**	1,224,038	14.0
Others(Note)	**161,730**	**1.8**	177,812	2.1
Total	**9,025,501**	**100.0**	8,725,357	100.0

Note: Including financial liabilities, derivative financial liabilities, staff remunerations payable, taxes and fees payables, estimated liabilities, lease liabilities, deferred income tax liabilities and other liabilities measured at fair value through profits and losses.

Deposits from Customers

As at the end of the reporting period, the Group's total deposits from customers (excluding accrued interest) were RMB6,106.907 billion, representing an increase of RMB328.676 billion or 5.69% from the end of the previous year; deposits from customers accounted for 68.6% of total liabilities, an increase of 1.4 percentage points from the end of the previous year. The Group's balance of corporate deposits was RMB4,324.396 billion, representing an increase of RMB207.810 billion or 5.05% from the end of the previous year; the balance of personal deposits stood at RMB1,782.511 billion, representing an increase of RMB120.866 billion or 7.27% from the end of the previous year.

Unit: RMB million

	30 June 2025		31 December 2024	
Item	**Balance**	**Proportion (%)**	Balance	Proportion (%)
Corporate deposits				
Demand deposits	**2,106,389**	**34.0**	2,054,271	35.0
Time deposits	**2,218,007**	**35.8**	2,062,315	35.2
Subtotal	**4,324,396**	**69.8**	4,116,586	70.2
Personal deposits				
Demand deposits	**501,151**	**8.1**	439,965	7.5
Time deposits	**1,281,360**	**20.7**	1,221,680	20.8
Subtotal	**1,782,511**	**28.8**	1,661,645	28.3
Total deposits from customers	**6,106,907**	**98.6**	5,778,231	98.5
Accrued interest	**85,187**	**1.4**	86,080	1.5
Total	**6,192,094**	**100.0**	5,864,311	100.0

Breakdown of Deposits from Customers by Currency

Unit: RMB million

	30 June 2025		31 December 2024	
Item	**Balance**	**Proportion (%)**	Balance	Proportion (%)
Renminbi	**5,664,308**	**91.5**	5,360,385	91.4
Foreign currencies	**527,786**	**8.5**	503,926	8.6
Total	**6,192,094**	**100.0**	5,864,311	100.0

Breakdown of Deposits by Geographical Region

Unit: RMB million

	30 June 2025		31 December 2024	
Item	**Balance**	**Proportion (%)**	Balance	Proportion (%)
Head Office	**2,801**	**0.1**	8,484	0.1
Bohai Rim	**1,654,503**	**26.7**	1,566,353	26.7
Yangtze River Delta	**1,632,317**	**26.4**	1,509,601	25.7
Pearl River Delta and West Strait	**974,906**	**15.7**	926,838	15.8
Central China	**809,027**	**13.1**	779,616	13.3
Western China	**615,021**	**9.9**	596,566	10.2
Northeastern China	**131,092**	**2.1**	126,530	2.2
Overseas	**372,427**	**6.0**	350,323	6.0
Total	**6,192,094**	**100.0**	5,864,311	100.0

2.5.3 Shareholders' Equity

As at the end of the reporting period, the Group's shareholders' equity was RMB832.965 billion, an increase of 3.17% 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

	Six months ended 30 June 2025							
Item	Share capital	Other equity instrument	Capital reserve	Other comprehensive income	Surplus reserve and general reserve	Retained earnings	Non-controlling interest	Total
1 January 2025	54,397	105,499	89,286	16,862	179,352	343,868	18,101	807,365
i. Net profit	–	–	–	–	–	36,478	596	37,074
ii. Other comprehensive income	–	–	–	(6,430)	–	–	141	(6,289)
iii. Capital contributed or reduced by shareholders	1,248	(551)	6,280	–	–	–	–	6,977
iv. Profit allocation	–	–	–	–	172	(12,160)	(174)	(12,162)
30 June 2025	55,645	104,948	95,566	10,432	179,524	368,186	18,664	832,965

2.5.4 Loan Quality Analysis

Loan Risk Classification

The Group measures and manages the quality of its credit assets pursuant to the Measures on Financial Asset Risk Classification of Commercial Banks formulated by the former CBIRC and the PBOC. The Management Measures *of China CITIC Bank for the Risk Classification of Financial Assets* was formulated, specifying the risk classification methods for various financial assets based on the types of financial assets, types of counterparties, product structure characteristics, and historical default information, among others, and in combination with the characteristics of the Bank's asset portfolio. 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 enhance the management on risk classification, strictly classifying assets in accordance with the triple processes of "primarily classification, confirmation and approval", so as to reflect the true asset quality.

Unit: RMB million

	30 June 2025		31 December 2024	
Risk Classification	**Balance**	**Proportion (%)**	Balance	Proportion (%)
Performing loans	**5,734,766**	**98.84**	5,653,643	98.84
Pass	**5,638,821**	**97.19**	5,560,073	97.20
Special mention	**95,945**	**1.65**	93,570	1.64
Non-performing loans	**67,134**	**1.16**	66,485	1.16
Substandard	**17,235**	**0.30**	15,530	0.27
Doubtful	**25,193**	**0.43**	27,615	0.48
Loss	**24,706**	**0.43**	23,340	0.41
Total loans	**5,801,900**	**100.00**	5,720,128	100.00

As at the end of the reporting period, the Group's balance of pass loans increased by RMB78.748 billion from the end of the previous year and accounted for 97.19% of the total loans, representing a decrease of 0.01 percentage point from the end of the previous year; the balance of special mention loans increased by RMB2.375 billion, accounting for 1.65% of the total loans, up by 0.01 percentage point from the end of the previous year. The balance of the Group's NPLs increased by RMB649 million from the end of the previous year, and the NPL ratio stood at 1.16%, flat with the end of the previous year. The Group adhered to the business philosophy of steady development, actively responded to market changes and various risk challenges, became more proactive and forward-looking in risk management, strengthened the refined management of the entire credit process, optimized risk control strategies in key areas, and increased efforts in risk resolution and non-performing asset disposal. As a result, the fundamentals of asset quality were continuously consolidated. As at the end of the reporting period, the asset quality of the Group remained sound.

Concentration of Loans by Product Type

As at the end of the reporting period, the Group's balance of corporate loans (excluding discounted bills) recorded RMB3,225.599 billion, an increase of RMB317.482 billion or 10.92% from the end of the previous year; its balance of personal loans reached RMB2,350.755 billion, a decrease of RMB11.355 billion or 0.48% from the end of the previous year. The balance of discounted bills decreased by RMB224.355 billion or 49.87% from the end of last year to RMB225.546 billion.

The Group's corporate NPL ratio (excluding discounted bills) decreased by 0.13 percentage points compared with the end of the previous year, reflecting a continued improvement in the quality of corporate loans; the balance of NPLs increased by RMB13 million from the end of the previous year. The personal NPL ratio rose by 0.04 percentage points from the end of the previous year; the balance of NPLs increased by RMB636 million. The NPL amount and ratio of discounted bills remained zero, unchanged from the end of the previous year.

Unit: RMB million

	30 June 2025				31 December 2024			
Product Type	**Balance**	**Proportion (%)**	**NPL balance**	**NPL ratio (%)**	Balance	Proportion (%)	NPL balance	NPL ratio (%)
Corporate loans	**3,225,599**	**55.59**	**36,918**	**1.14**	2,908,117	50.84	36,905	1.27
Personal loans	**2,350,755**	**40.52**	**30,216**	**1.29**	2,362,110	41.29	29,580	1.25
Discounted bills	**225,546**	**3.89**	**–**	**–**	449,901	7.87	–	–
Total loans	**5,801,900**	**100.00**	**67,134**	**1.16**	5,720,128	100.00	66,485	1.16

Concentration of Loans by Sector

As at the end of the reporting period, manufacturing, leasing and business services, and water, environment and public facilities management were ranked as the top three in the Group's outstanding corporate loans, recording loan balances of RMB647.394 billion, RMB626.106 billion, and RMB459.362 billion, respectively. The balance of loans issued to the real estate industry stood at RMB297.160 billion, accounting for 9.21% of the total corporate loans, down by 0.59 percentage points from the end of the previous year. In terms of increment, manufacturing, leasing and business service, wholesale and retail, and water, environment and public facilities management recorded an increment of RMB91.221 billion, RMB62.155 billion, RMB22.490 billion, and RMB22.120 billion respectively from the end of the previous year, all of which are above RMB20 billion.

As at the end of the reporting period, the Group's NPLs were mainly concentrated in three sectors, i.e., manufacturing, real estate, and leasing and business services, with their NPL balances collectively taking up 60.84% of the total corporate NPLs. The Group's corporate NPL ratio (excluding discounted bills) declined by 0.13 percentage points compared with the end of last year. Among them, the NPL ratios of the real estate, information transmission, software and information technology services, wholesale and retail, and leasing and business services all improved, decreasing by 0.32, 0.21, 0.20, and 0.14 percentage points, respectively. During the reporting period, affected by the macro-economic environment, transformation of the real estate market, among other factors, the NPL ratios of the construction sector, as well as the production and supply of electric power, heat, gas, and water, increased compared with the end of last year.

Unit: RMB million

	30 June 2025				31 December 2024			
Sector	**Balance**	**Proportion (%)**	**NPL balance**	**NPL ratio (%)**	Balance	Proportion (%)	NPL balance	NPL ratio (%)
Corporate loans	**3,225,599**	**55.59**	**36,918**	**1.14**	2,908,117	50.84	36,905	1.27
Manufacturing	**647,394**	**11.16**	**11,260**	**1.74**	556,173	9.72	10,421	1.87
Leasing and business services	**626,106**	**10.79**	**5,590**	**0.89**	563,951	9.86	5,808	1.03
Water, environment, and public facilities management	**459,362**	**7.92**	**725**	**0.16**	437,242	7.64	765	0.17
Real estate	**297,160**	**5.12**	**5,612**	**1.89**	285,149	4.99	6,296	2.21
Wholesale and retail	**248,629**	**4.29**	**4,663**	**1.88**	226,139	3.95	4,714	2.08
Transportation, storage, and postal services	**165,800**	**2.86**	**333**	**0.20**	148,934	2.60	332	0.22
Production and supply of electric power, gas, and water	**134,252**	**2.31**	**1,137**	**0.85**	118,483	2.07	706	0.60
Construction	**133,823**	**2.31**	**1,319**	**0.99**	115,613	2.02	609	0.53
Financial industry	**110,144**	**1.90**	**2**	**0.00**	91,514	1.60	48	0.05
Information transmission, software, and information technology services	**74,862**	**1.29**	**718**	**0.96**	66,479	1.16	778	1.17
Others	**328,067**	**5.64**	**5,559**	**1.69**	298,440	5.23	6,428	2.15
Personal loans	**2,350,755**	**40.52**	**30,216**	**1.29**	2,362,110	41.29	29,580	1.25
Discounted bills	**225,546**	**3.89**	**–**	**–**	449,901	7.87	–	–
Total loans	**5,801,900**	**100.00**	**67,134**	**1.16**	5,720,128	100.00	66,485	1.16

Concentration of Loans by Geographic Region

As at the end of the reporting period, the Group's total loans stood at RMB5,801.900 billion, an increase of RMB81.772 billion or 1.43% from the end of the previous year. Specifically, the balances of loans to the Yangtze River Delta, the Bohai Rim, and the Pearl River Delta and West Strait ranked top three, recording RMB1,736.075 billion, RMB1,384.571 billion, and RMB841.583 billion, and accounting for 29.92%, 23.86% and 14.51% of the Group's total, respectively. In terms of increment, the Yangtze River Delta recorded the largest increase of RMB88.838 billion, followed by Pearl River Delta and West Strait with an increase of RMB29.467 billion.

The Group's NPLs were mainly concentrated in the Bohai Rim, Western China, and Central China, with the combined NPL balance of the above regions reaching RMB43.543 billion, accounting for 64.86% of the total. In terms of incremental NPLs, Central China saw an increase of RMB1.149 billion, with the NPL ratio rising by 0.12 percentage points, followed by the Yangtze River Delta, where NPLs increased by RMB683 million and the NPL ratio rose by 0.01 percentage points.

Unit: RMB million

	30 June 2025				31 December 2024			
Geographic region	**Balance**	**Proportion (%)**	**NPL balance**	**NPL ratio (%)**	Balance	Proportion (%)	NPL balance	NPL ratio (%)
Yangtze River Delta	**1,736,075**	**29.92**	**9,395**	**0.54**	1,647,237	28.80	8,712	0.53
Bohai Rim	**1,384,571**	**23.86**	**19,586**	**1.41**	1,455,154	25.44	18,993	1.31
Pearl River Delta and West Strait	**841,583**	**14.51**	**9,666**	**1.15**	812,116	14.20	10,032	1.24
Central China	**818,956**	**14.12**	**9,820**	**1.20**	804,731	14.07	8,671	1.08
Western China	**706,117**	**12.17**	**14,137**	**2.00**	696,388	12.17	14,349	2.06
Northeastern China	**82,946**	**1.43**	**636**	**0.77**	84,343	1.47	1,385	1.64
Overseas	**231,652**	**3.99**	**3,894**	**1.68**	220,159	3.85	4,343	1.97
Total loans	**5,801,900**	**100.00**	**67,134**	**1.16**	5,720,128	100.00	66,485	1.16

Note: 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 RMB2,870.776 billion, an increase of RMB198.398 billion from the end of the previous year, accounting for 49.48% of the Group's total loans and up by 2.76 percentage points from the end of the previous year; the balance of loans secured by collateral and pledge was RMB2,705.578 billion, an increase of RMB107.729 billion from the end of the previous year, accounting for 46.63% of the Group's total loans, up by 1.22 percentage points from the end of the previous year.

Unit: RMB million

	30 June 2025		31 December 2024	
Type of guarantee	**Balance**	**Proportion (%)**	Balance	Proportion (%)
Unsecured loans	**1,719,832**	**29.64**	1,625,741	28.42
Guaranteed loans	**1,150,944**	**19.84**	1,046,637	18.30
Loans secured by collateral	**2,264,225**	**39.02**	2,197,326	38.41
Loans secured by pledge	**441,353**	**7.61**	400,523	7.00
Subtotal	**5,576,354**	**96.11**	5,270,227	92.13
Discounted bills	**225,546**	**3.89**	449,901	7.87
Total loans	**5,801,900**	**100.00**	5,720,128	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 2025**	31 December 2024	31 December 2023
Percentage of loans to the single largest customer (%)(1)	≤10	**1.07**	1.10	1.20
Percentage of loans to the top 10 customers (%)(2)	≤50	**8.62**	8.86	9.50

Note: (1) Percentage of loans to the single largest customer = balance of loans to the single largest 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

		30 June 2025		
Borrower	**Industry**	**Balance**	**Percentage in total loans (%)**	**Percentage in regulatory capital (%)**
Borrower A	Water, environment, and public facilities management	**10,844**	**0.19**	**1.07**
Borrower B	Real estate	**9,923**	**0.17**	**0.98**
Borrower C	Public administration, social security, and social organizations	**9,759**	**0.17**	**0.96**
Borrower D	Transportation, storage, and postal services	**9,634**	**0.17**	**0.95**
Borrower E	Water, environment, and public facilities management	**9,013**	**0.16**	**0.89**
Borrower F	Real estate	**8,118**	**0.14**	**0.80**
Borrower G	Leasing and business services	**7,965**	**0.14**	**0.79**
Borrower H	Leasing and business services	**7,850**	**0.13**	**0.77**
Borrower I	Transportation, storage, and postal services	**7,692**	**0.13**	**0.76**
Borrower J	Manufacturing	**6,615**	**0.11**	**0.65**
Total		**87,413**	**1.51**	**8.62**

As at the end of the reporting period, the total balance of corporate loans from the Group to the top 10 customers amounted to RMB87.413 billion, taking up 1.51% of the total and 8.62% of the net capital.

Migration of Loans

The table below sets out the migration of the Bank's loans across five categories during the reporting period.

Category	30 June 2025	31 December 2024	31 December 2023
Migration ratio of pass loans (%)	**0.88**	1.68	2.18
Migration ratio of special mention loans (%)	**19.90**	26.44	36.70
Migration ratio of substandard loans (%)	**55.91**	63.28	83.18
Migration ratio of doubtful loans (%)	**43.10**	73.38	88.83
Ratio of migration from performing loans to NPLs (%)	**0.70**	1.35	1.63

As at the end of the reporting period, the Bank's ratio of loan migration from performing loans to NPLs was 0.70%, a decrease of 0.65 percentage points from the end of the previous year.

Loans Overdue and Restructured Loans

Unit: RMB million

	30 June 2025		31 December 2024	
Category	**Balance**	**Proportion (%)**	Balance	Proportion (%)
Loans repayable on demand	**5,715,203**	**98.51**	5,617,492	98.20
Loans overdue[1]				
Within 3 months	**33,728**	**0.58**	53,118	0.93
3 months-1 year	**31,483**	**0.54**	29,396	0.52
1-3 years	**16,583**	**0.29**	14,856	0.26
More than 3 years	**4,903**	**0.08**	5,266	0.09
Subtotal	**86,697**	**1.49**	102,636	1.80
Total loans	**5,801,900**	**100.00**	5,720,128	100.00
Restructured loans[2]	**30,210**	**0.52**	29,601	0.52

Note: (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, stepped up the collection of overdue loans, and formulated plans for the disposal, restructuring, and conversion of overdue loans based on customers' risk profiles. As at the end of the reporting period, the Group's balance of overdue loans recorded RMB86.697 billion, a drop of RMB15.939 billion from the end of the previous year. The proportion of overdue loans in total loans went down by 0.31 percentage points from the end of the previous year.

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 RMB30.210 billion, accounting for 0.52% 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) accounting standards in light of default rate, default loss rate, and many other quantitative risk parameters, as well as macro perspective adjustments.

Unit: RMB million

Item	As at 30 June 2025	As at 31 December 2024	As at 31 December 2023
Beginning balance	**139,240**	134,517	131,202
Accruals during the period[1]	**25,466**	52,699	49,840
Write-offs and transfer-out	**(30,983)**	(60,724)	(60,054)
Recovery of loans and advances written off in previous years	**5,893**	13,259	13,670
Others[2]	**(291)**	(511)	(141)
Ending balance	**139,325**	139,240	134,517

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

(2) Including foreign exchange rate changes and others.

As at the end of the reporting period, the Group's balance of allowance for loan impairment losses registered RMB139.325 billion, up by RMB85 million 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) and ratio of balance of allowance for loan impairment losses to total loans (i.e., loan loss allowance ratio) stood at 207.53% and 2.40%, down by 1.90 percentage points and 0.03 percentage points from the end of the previous year, respectively.

2.5.5 Major Off-Balance Sheet Items

As at the end of the reporting period, the Bank'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 2025	31 December 2024
Credit commitments		
– Bank acceptance bills	**959,603**	854,489
– Letters of guarantee	**283,318**	273,578
– Letters of credit	**344,107**	324,861
– Irrevocable loan commitments	**59,140**	54,064
– Credit card commitments	**777,496**	812,562
Subtotal	**2,423,664**	2,319,554
Capital commitments	**1,091**	1,055
Pledged assets	**405,347**	333,599
Total	**2,830,102**	2,654,208

2.5.6 Cash Flow Statement Analysis

Net Cash Inflows Generated from Operating Activities

The Group's net cash inflows generated from operating activities registered RMB28.651 billion, and the net cash outflows for the same period of the previous year were RMB341.909 billion, primarily due to the increase in inflows from deposits from customers and decrease in outflows in inter bank business.

Net Cash Outflows Used in Investing Activities

The Group's net cash outflows used in investing activities recorded RMB171.139 billion, as the increase in investments, sale and redemption of financial investments was reflected overall as net cash outflows. The figure of the same period of last year was RMB61.639 billion of net cash inflows.

Net Cash Inflows Generated from Financing Activities

The Group's net cash inflows generated from financing activities registered RMB139.374 billion, down by 43.3% year on year, primarily due to the fact that decrease in the issuance of interbank certificates of deposit and debt securities, and basically unchanged redemption resulted in the decrease in overall net cash inflows.

Unit: RMB million

Item	Six months ended 30 June 2025	Year-on-year increase (%)	Main reason
Net Cash Inflows Generated from Operating Activities	**28,651**	Net outflows in the same period of the previous year	
Including: Net cash outflows due to increases in interbank business(Note)	**(249,742)**	(37.7)	Decrease in interbank outflows
Cash outflows due to increases in financial assets held for trading	**(14,588)**	Net inflows in the same period of the previous year	Increase in the scale of investment
Cash inflows due to increases in deposits from customers	**339,087**	217.9	Increase in the growth of deposits from customers
Cash outflows due to increases in loans and advances to customers	**(112,381)**	(1.3)	Decrease in the growth of loans
Net Cash Outflows Used in Investing Activities	**(171,139)**	Net inflows in the same period of the previous year	
Including: Cash inflows from the redemption of investments	**2,999,991**	74.7	Increase in the scale of financial investments sold and redeemed
Cash outflows from payments on the acquisition of investments	**(3,147,722)**	90.6	Increase in the scale of investments
Net Cash Inflows Generated from Financing Activities	**139,374**	(43.3)	
Including: Cash inflows from the issuance of debt certificates	**834,370**	(8.1)	Decrease in the issuance scale of interbank certificates of deposit and debt securities
Cash outflows from payments on debt certificates	**(676,104)**	0.3	Increase in the payments on matured 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 whole-process management system covering capital planning, allocation, measurement, monitoring, and assessment. During the reporting period, in light of changes in both internal and external situations, the Group intensified support for the real economy, established and improved the linkage mechanism between capital planning and business arrangements, and promoted reasonable asset growth. Meanwhile, it continued to uphold the "light capital, light asset, and light cost" development strategy. Guided by the concepts of light development and value creation, the Group optimized the capital allocation model, stepped up efforts in refined capital management, guided operating institutions to reasonably arrange business, customer, and product structures under capital constraints, and realized the balanced development of business growth, value return, and capital consumption.

As at the end of the reporting period, as required by the *Measures for Capital Management of Commercial Banks* promulgated by the NFRA, the Group recorded a capital adequacy ratio of 13.47%, up by 0.11 percentage points from the end of the previous year, a tier-one capital adequacy ratio of 10.94%, down by 0.32 percentage points from the end of the previous year, a core tier-one capital adequacy ratio of 9.49%, down by 0.23 percentage points from the end of the previous year, and a leverage ratio of 6.98%, down by 0.08 percentage points from the end of the previous year, all meeting regulatory requirements.

Capital adequacy ratio

Unit: RMB million

Item	30 June 2025	31 December 2024	Growth rate (%)/ Increase (decrease)	31 December 2023
Net core tier-one capital	**714,446**	687,134	3.97%	605,156
Net additional tier-one capital	**108,902**	108,619	0.26%	118,313
Net tier-one capital	**823,348**	795,753	3.47%	723,469
Net tier-two capital	**190,525**	148,407	28.38%	146,384
Net capital	**1,013,873**	944,160	7.38%	869,853
Risk-weighted assets	**7,524,923**	7,068,736	6.45%	6,727,713
Core tier-one capital adequacy ratio	**9.49%**	9.72%	Down by 0.23 percentage points	8.99%
Tier-one capital adequacy ratio	**10.94%**	11.26%	Down by 0.32 percentage points	10.75%
Capital adequacy ratio	**13.47%**	13.36%	Up by 0.11 percentage points	12.93%

Note: The Group calculated and disclosed its capital adequacy ratios for the reporting period and 2024 according to the *Measures for Capital Management of Commercial Banks* (NFRA Decree [2023] No.4) promulgated by the NFRA and calculated and disclosed its capital adequacy ratio for 2023 according to the *Provisional Measures for Capital Management of Commercial Banks* promulgated by the former CBRC.

Leverage ratio

Unit: RMB million

Item	30 June 2025	31 December 2024	Growth rate (%)/ Increase (decrease)	31 December 2023
Leverage ratio	**6.98%**	7.06%	Down by 0.08 percentage points	6.66%
Net tier-one capital	**823,348**	795,753	3.47%	723,469
Adjusted balance of on-and off-balance sheet assets	**11,796,803**	11,268,348	4.69%	10,859,498

Note: The Group calculated and disclosed its leverage ratios for the reporting period and 2024 according to the *Measures for Capital Management of Commercial Banks* (NFRA Decree [2023] No.4) promulgated by the NFRA, and calculated and disclosed its leverage ratio for 2023 according to the *Measures for Leverage Ratio Management of Commercial Banks (Revised in 2015)* (CBRC Decree [2015] No.1) promulgated by the former CBRC.

2.5.8 Major Accounting Estimates and Assumptions

The preparation of the financial statements in conformity with the International Financial Reporting Standards (IFRS) accounting standards required the Group to make certain accounting estimates and assumptions when applying its accounting policies to determine the amounts of assets, liabilities, as well as profits and 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 on-going 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, and the recognition of deferred income tax.

2.5.9 Major Financial Statement Items with More than 30% Changes

Unit: RMB million

Item	30 June 2025/ Six months ended 30 June 2025	Increase/ Decrease over previous year-end/ year-on-year (%)	Main reason
Deposits and placements with banks and non-bank financial institutions	**88,304**	(31.1)	Decrease in deposits and placements with banks
Precious metals	**29,426**	116.7	Increase in precious metals held
Derivative financial assets	**52,069**	(39.4)	Decrease in the revaluation of monetary derivatives
Property and equipment	**63,967**	37.5	Increase in the equipment under operating lease
Other assets	**119,445**	55.7	Increase in advanced payments and accounts to be settled
Financial liabilities measured at fair value through profit or loss	**2,355**	37.0	Increase in the certificates of deposit issued
Derivative financial liabilities	**53,034**	(34.7)	Decrease in the revaluation of monetary derivatives
Other liabilities	**61,529**	33.5	Increase in dividends payable and accounts to be settled
Other comprehensive income	**10,432**	(38.1)	Decrease in the fair value of other debt investments
Fee and commission expense	**5,129**	117.4	Increase in precious metal distribution expenses

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

Business Segment	Six months ended 30 June 2025				Six months ended 30 June 2024			
	Segment operating income	Proportion (%)	Segment profit before tax	Proportion (%)	Segment operating income	Proportion (%)	Segment profit before tax	Proportion (%)
Corporate banking	49,074	46.6	28,995	62.2	47,039	43.3	26,182	59.9
Retail banking	40,488	38.4	5,595	12.0	43,464	40.0	2,674	6.1
Financial markets business	15,197	14.4	12,353	26.5	16,373	15.1	13,444	30.7
Others and unallocated	667	0.6	(321)	(0.7)	1,764	1.6	1,451	3.3
Total	105,426	100.0	46,622	100.0	108,640	100.0	43,751	100.0

Unit: RMB million

Business Segment	30 June 2025		31 December 2024	
	Segment assets	Proportion (%)	Segment assets	Proportion (%)
Corporate banking	3,354,426	34.2	3,016,097	31.8
Retail banking	2,329,540	23.8	2,342,470	24.7
Financial markets business	3,526,305	36.0	3,554,046	37.5
Others and unallocated	593,557	6.0	565,979	6.0
Total	9,803,828	100.0	9,478,592	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. The London Branch officially commenced operation in June 2019. The Hong Kong Branch was open in March 2024. As for subsidiaries, CIFH and CNCB Investment were registered in Hong Kong SAR, while Lin'an CITIC Rural Bank, CITIC Financial Leasing and CITIC Wealth Management were registered in the Chinese mainland. The table below lists the operating results of the Group by geographical segment.

Unit: RMB million

Geographical Segment	30 June 2025/Six months ended 30 June 2025				31 December 2024/Six months ended 30 June 2024			
	Segment total assets		Segment profit before tax		Segment total assets		Segment profit before tax	
	Balance	Proportion (%)	Balance	Proportion (%)	Balance	Proportion (%)	Balance	Proportion (%)
Head Office	3,628,309	37.0	28,597	61.4	3,551,480	37.5	22,697	51.9
Yangtze River Delta	2,196,053	22.4	6,910	14.8	2,080,747	22.0	9,668	22.1
Pearl River Delta and West Strait	1,121,632	11.5	431	0.9	1,080,806	11.4	1,002	2.3
Bohai Rim	2,139,347	21.8	7,564	16.2	2,010,887	21.2	3,707	8.5
Central China	898,924	9.2	(394)	(0.8)	900,004	9.5	3,448	7.9
Western China	763,734	7.8	1,091	2.3	750,011	7.9	1,429	3.2
Northeastern China	137,719	1.4	(101)	(0.2)	132,623	1.4	187	0.4
Overseas	561,911	5.7	2,524	5.4	520,398	5.5	1,613	3.7
Offset	(1,643,801)	(16.8)	–	–	(1,548,364)	(16.4)	–	–
Total	9,803,828	100.0	46,622	100.0	9,478,592	100.0	43,751	100.0

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

2.6 Key Issues in Operations

2.6.1 Loan Extension

In terms of corporate loans, the Bank resolutely upheld and implemented the political and people-oriented nature of financial work, stayed focused on serving the real economy, and made every effort to seize policy opportunities presented by the transformation and upgrading of the manufacturing sector, capital market serving the high-quality development of tech enterprises, boosting and expanding consumption, and establishing a new model for real estate development. By deepening the penetrative application of the "Five Policies" mechanism in customer selection, pricing management, and risk review and approval, the Bank accelerated its expansion into new scenarios and new tracks such as sci-tech innovation finance, green and low-carbon transformation, and strategic emerging industries, and achieved balanced development with steady growth of corporate loans and sustained improvement in asset quality. As at the end of the reporting period, the Bank's balance of general corporate loans recorded RMB2,993.044 billion, representing an increase of RMB313.377 billion or 11.69% from the end of the previous year. The growth rate increased by 3.01 percentage points year on year. Specifically, the balance of RMB general corporate loans increased by RMB296.757 billion from the end of the previous year to RMB2,887.374 billion, with the growth reaching a record high for the same period in history. The Bank resolutely implemented the policy guidance of "financial institutions making profit concessions to support the real economy". On the asset side, the price of newly issued corporate loans and the average yield on corporate loans continued to drop. The Bank practiced the development strategy of "sacrificing profits rather than compromising on risk control", maintaining a stable and improving trend of corporate asset quality. As at the end of the reporting period, the Bank's ratio of non-performing corporate loans (including discounted bills) and the ratio of special-mention loans dropped by 0.01 and 0.02 percentage points respectively from the end of the previous year, demonstrating continuously improving risk resilience.

During the reporting period, the Bank dynamically combined the implementation of national strategies with the adjustment of credit structure, adhered to the "Five Priorities" in finance as the primary focus of the work, and continued to enhance credit support for key areas and weak links in the real economy. As at the end of the reporting period, the balances of loans to key areas of the real economy such as green credit, medium and long-term manufacturing loans, loans to private business[7], strategic emerging industries and inclusive loans to small and micro sized enterprises recorded RMB701.415 billion, RMB348.537 billion, RMB1,429.220 billion, RMB679.836 billion, and RMB630.610 billion up by RMB100.850 billion, RMB47.924 billion, RMB81.892 billion, RMB35.882 billion and 30.785 billion or 16.79%, 15.94%, 6.08%, 5.57% and 5.13% from the end of the previous year, respectively, all exceeding the average level of corporate loans. Meanwhile, the Bank deeply implemented the regional development strategy 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, the Chengdu-Chongqing economic zone, and three northeastern provinces. As at the end of the reporting period, the proportion of balances of general RMB corporate loans to the above five regions reached 72.14%, an increase of 0.12 percentage from the end of last year.

Looking ahead to the second half of the year, as the China-U.S. trade war eases and domestic policies aimed at stabilizing growth continue to take effect, market credit demand is expected to remain sound. The Bank will further strengthen credit support for the real economy, focusing on four key areas. **First**, strengthening new growth drivers by increasing lending support to strategic emerging industries, technology finance, and green finance, and building itself into the preferred bank for serving new quality productive forces. **Second**, consolidating the foundation by deepening cooperation in manufacturing, infrastructure, and energy supply, and increasing the proportion of medium- and long-term manufacturing loans. **Third**, implementing the policy orientation of "serving the private economy" by deepening the building of an integrated financing ecosystem featuring "commercial banking + investment banking + collaboration + matchmaking", and providing various private enterprises with full-lifecycle financial solutions. **Fourth**, deeply integrating into the regional development strategy by continuously enhancing the proportion of credit supply to key regions.

7 According to statistical scope of the PBOC, including loans to privately held enterprises and personal business loans (including domestic and foreign currencies), excluding discounted bills.

In terms of personal loans, in face of the complex and evolving external environment, the Bank resolutely implemented the national strategies, and further strengthened its mortgage loan extension. The Bank enhanced portfolio management across products and regions, focused on promoting inclusive finance, and continuously enriched the consumer finance product offerings, with a steady growth in the size of personal loans and stable performance of asset quality. During the reporting period, the Bank's newly issued personal loans (excluding credit cards) totaled RMB395.705 billion, including RMB117.290 billion of personal mortgage loans, up by 19.61% year on year, and RMB103.262 billion of personal inclusive loans, remained around the same level of the same period of last year. As at the end of the reporting period, the Bank's balance of personal loans (excluding credit cards) posted RMB1,830.374 billion, representing an increase of RMB14.962 billion from the end of the previous year. In terms of pricing, due to factors such as LPR cuts and intensified market competition for quality customers, the pricing in the personal loan market remained low. 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-sized enterprises and household consumption.

2.6.2 Customer Deposits

In terms of corporate deposits, in face of the declining interest rates, intensified peer competition, increased proportion of medium- to long-term allocation of corporate customer funds and other market trends, the Bank consistently upheld the strategy of "balancing quantity and pricing" for deposit growth, stayed committed to the deposit growth path of "increasing low-cost deposits while controlling high-cost deposits" to vigorously expand deposits from small and medium-sized enterprises. The Bank orderly reduced the scale of high-priced deposits such as the 3-year fixed-term deposits, made all-out efforts to capture transaction settlement funds, and built long-term and prudent liability-driven operational model. As at the end of the reporting period, the Bank's balance of corporate deposits recorded RMB4,169.616 billion, representing an increase of RMB200.306 billion or 5.05% from the end of the previous year. During the reporting period, the average daily balance of corporate deposits was RMB4,018.753 billion, an increase of 6.44%. In terms of deposit costs, the Bank's cost rate of corporate deposits stood at 1.48%, down by 32 bps year on year. In the second half of the year, deposit market interest rates are expected to face further downward adjustments. The Bank will continuously optimize the liability structure, strengthen the control over deposit costs, and fully advance the building of a leading bank in transaction settlement so as to realize the high-quality development of corporate deposits.

In terms of personal deposits, during the reporting period, the Bank kept abreast with the changes in market interest rates and developed a product strategy that synergistically drove deposit growth through balanced development of demand and time deposits. As at the end of the reporting period, the Bank's personal deposits amounted to RMB1,565.997 billion, an increase of RMB106.363 billion or 7.29% from the end of the previous year. Among them, personal demand deposits totaled RMB444.827 billion, accounting for 28.41% of the total personal deposits and up by 0.48 percentage points from the end of the previous year; personal structured deposits were RMB70.250 billion, accounting for 4.49% of the total and down by 0.41 percentage points from the end of the previous year. The cost of personal deposits continued to decline. As at the end of the reporting period, the Bank's cost rate of personal deposits was 1.85%, down by 29 bps year on year. Following the decline in personal deposit rates across the market in the first half of 2025, the growth of personal deposits slowed down. In response, the Bank took the following measures. **First**, the Bank continued to focus on new customer acquisition to diversify sources of deposits. **Second**, the Bank continued the growth strategy dominated by low-cost deposits, and drove the growth of demand settlement deposits through a growth system led by "Five Expertise and Six Dimensions"[8]. Based on the customer demands, the Bank provided asset allocation solutions covering short- and middle-term deposits, to increase the scale of low-cost deposits. Meanwhile, the Bank further intensified control over the scale of high-cost deposit products, to keep the cost rate of personal deposits at a desirable level.

8 Refers to advancing the growth of settlement deposits by building the growth capabilities in six dimensions (enlarging the size of new customer base, advancing upgrade of stratified customers, promoting cross-selling among customers, facilitating product integration and penetration, strengthening building of consumption payment scenarios, and expanding payment and settlement projects) based on deepening and integrating the "five expertise".

2.6.3 Net Interest Margin

During the reporting period, the net interest margin of the Group was 1.63%, down by 14 bps year on year and 2bps compared with the first quarter, indicating slowdown of the decline. From a year-on-year change perspective, both the asset yields and liability costs declined, with the asset yields declining at a faster pace. Asset yields continued to decline mainly due to the impact of persistent LPR rate cuts, downward adjustments to the interest rates on existing mortgage loans in the previous year, insufficient effective credit demand and other factors. Liability costs continued to improve due to downward movement in market interest rates and the Group's continuous and effective efforts to optimize its liability structure, improve liability quality, and seize market opportunities, thereby effectively strengthening liability cost control.

Looking into the second half of the year, with further improvement in interest rate transmission mechanism and a more standardized business environment for banking competition practices, pricing pressures in the banking sector are expected to ease. The Group will, on the premise of supporting the growth of the real economy, maintain its own healthy development and strive to stabilize the net interest margin (NIM). In terms of assets, the Group will proactively advance the "Five Priorities" in finance, focus on facilitating high-quality asset allocation, intensify efforts to optimize the major asset structure and reduce the proportion of low-efficiency assets so as to stabilize asset yields as much as possible. In terms of liabilities, the Group will adhere to the development philosophy of "balancing quantity and pricing", press ahead with the strategy of building a leading transaction settlement bank, further consolidate the liability foundation, and work for a continuous decline in costs of liabilities.

2.6.4 Non-interest Income

During the reporting period, the Group realized net non-interest income of RMB34.225 billion, down by 5.01% year on year. Specifically, net fee and commission income of the Group was RMB16.906 billion, up by 3.38% year on year. This was mainly attributable to the Group's continuous efforts in recent years to build a leading wealth management bank and comprehensive financing bank, which continuously unlocked value. Except the credit card business which was impacted by overall market, products of all major categories witnessed growth in the fee income. In terms of specific products, bank card fees were RMB6.973 billion, down by 12.29% year on year, mainly due to a decline in credit card transaction volume on the whole market. In response, the Group proactively launched a variety of credit card products to meet the diversified customer demands, leading to smaller decline in transaction volume compared to the first quarter. Agency fees and commission were RMB3.095 billion, up by 18.81% year on year, mainly due to sustained growth in agency distribution income from trust products. Commissions for custodian and other fiduciary business were RMB5.110 billion, up by 25.12% year on year, mainly due to an increase in the income from wealth management business. The Group continuously strengthened sales channel development and product quality control management to enhance customer investment experience, achieving growth in both wealth management income and scale. Settlement and clearing fees were RMB1.511 billion, up by 16.23% year on year, mainly due to an increase in income from letter of credit and other businesses.

Other non-interest income was RMB17.319 billion, down by 11.99% year on year, mainly due to market fluctuations and the high base number in the same period of last year. After years of integration reform and capacity building in financial markets business, the Group, against the backdrop of intensified fluctuations in market interest rates, continuously improved the refined management, made visionary medium and long term arrangement in the assets of major categories, enhanced the trading efficiency and expanded the width and depth of its trading strategies, achieving smaller decline in the non-interest income compared with the first quarter. And it is confident of gaining market returns through its professional capabilities.

In the second half of the year, the Group will continue to resolutely implement the "Five Leading" bank strategy, closely follow market opportunities, and strengthen the capacity building in areas such as wealth management, comprehensive financing, and financial markets. The Group will sustain the expansion of diversified income streams while maintaining steady growth in non-interest income.

2.6.5 Asset Quality in Key Areas

2.6.5.1 Risk Management and Control for Corporate Real Estate Loans

The Bank steadfastly implemented the decisions and plans of the CPC Central Committee and the State Council, adhered to an overall strategy of "improving quality, stabilizing existing quantity, and optimizing incremental growth", and prudently advanced the credit allocation to and risk control in real estate. It proactively implemented the work requirements of the coordination mechanism for urban real estate financing and leveraged the "whitelist" of financing coordination mechanism. Moreover, committed to the principle of unswervingly consolidating and developing the public sector and unswervingly encouraging, supporting, and guiding the development of the non-public sector, the Bank treated state-owned and private real estate enterprises equally in meeting their reasonable financing demand. It carried out incremental business for quality real estate enterprises in advantageous regions, and supported policy-backed housing projects for first homes, improvement housing, long-term rental housing, and affordable housing. Meanwhile, the Bank supported reasonable demand for individual housing loans by implementing differentiated housing credit policies in light of local conditions, and improving housing financial services for new urban residents. The Bank implemented the "16 Financial Measures" to enhance the mitigation and disposal of the existing risk assets in real estate. It also prevented large credit exposure risk and reasonably controlled the concentration of credit to single customers.

As at the end of the reporting period, the balance of the Group's corporate real estate financing subject to credit risk, including loans, bank acceptance drafts, letters of guarantee, bond investment and non-standard investments, stood at RMB386.011 billion, an increase of RMB14.340 billion from the end of the previous year. Specifically, the balance of corporate real estate loans was RMB297.160 billion, an increase of RMB12.011 billion over the end of the previous year, accounting for 9.21% of the Group's total corporate loans, down by 0.59 percentage points from the end of the previous year. The balance of the Group's corporate real estate financing not subject to credit risk, including agency sale and investments made by wealth management funds, was RMB94.305 billion, an increase of RMB1.930 billion from the end of the previous year. As at the end of the reporting period, the ratio of non-performing corporate real estate loans was 1.89%, a drop of 0.32 percentage points over the end of the previous year. By region, 75% of corporate real estate projects were located in cities with relatively advanced economy in the Beijing-Tianjin-Hebei Region, the Yangtze River Delta, the Guangdong, Hong Kong, Macao, Chengdu and Chongqing. Due to sound credit enhancement measures, the overall risk remained controllable.

Looking into the second half of the year, the Bank will continue to implement national industrial policies, continuously support the "white list" projects under the work requirements of real estate financing coordination mechanism, prudently conduct real estate-related business, and meet the reasonable financing demands of real estate enterprises. The Bank will adhere to a project-based approach with closed-loop fund management, strengthen risk prevention and control measures, and formulate risk resolution plans on a "one project, one policy" basis for key high-risk clients and projects, in order to properly mitigate risks in the existing real estate business.

2.6.5.2 Risk Control for Personal Housing Loans

The Bank actively implemented national and regional policy requirements and met the reasonable housing needs of home buyers while strengthening risk prevention and control, maintaining the market advantage in mortgage business and personal housing loans' position as the "ballast stone" in mortgage business. As at the end of the reporting period, the balance of personal housing mortgage loans of the Bank reached RMB1,071.017 billion, an increase of RMB38.436 billion from the end of the previous year. The Bank's personal housing mortgage loan business was primarily concentrated in first and second-tier cities, the balance of which accounted for 75.96% of the Bank's total personal housing mortgage loans.

The Bank strictly controlled project admission, optimized the structure of mortgage cooperation channels, and enhanced management of property developers and second-hand housing channel agents. It formulated refined and differentiated risk appetites across regions and channels, and increased the market shares and business composition of premium channels to prevent fraud risk. Meanwhile, the Bank increased mortgage support for key regions and customer groups to prevent and control real estate market risk. As at the end of the reporting period, the ratio of non-performing personal housing mortgage loans was 0.50%, an increase of 0.01 percentage point from the end of the previous year; the overdue ratio was 0.72%, an increase of 0.04 percentage points from the end of the previous year, indicating that risks in personal housing mortgage loan were under control.

In the second half of the year, China's real estate market is expected to maintain the primary trend of "stemming the downturn and restoring stability" amid sustained policy impetus and structural divergences. The market in core cities demonstrates relatively high resilience, yet the diverging trends among cities of different tiers and projects by various developers will persist. The Bank will continue to implement national policies, increase mortgage loan supply, and further deepen cooperation with premium mortgage channels. Efforts will be made to consolidate the foundation for public-private and cross-branch coordinated marketing, further enhance the risk monitoring and management system of first-hand housing development and second-hand housing channels, and better meet the demand for first homes or improvement housing while ensuring stable asset quality.

2.6.5.3 Risk Control for Local Government Hidden Debts

During the reporting period, in implementing the decisions and plans of the state on preventing and resolving local government debts, the Bank on the one hand seized the policy opportunities of the phased issuance of special-purpose bonds worth RMB10 trillion, and defused existing business risks in an orderly manner. The Bank proactively supported local governments in eliminating local government financing platforms while safeguarding the risk bottom line. Moreover, on the other hand, in line with the market-oriented and law-based principle, the Bank acted where appropriate and restrained where necessary, and continuously optimized the credit structure, so as to effectively guard against credit risk.

As at the end of the reporting period, the Bank's balance of local government hidden debts stood at RMB102.496 billion, down by RMB35.407 billion from the end of previous year. The credit structure was sound. By region, the proportion of local government hidden debts in developed regions such as eastern, southern and central regions of China was about 68.11%; by administrative level, the proportion of local government hidden debts in prefecture-level cities and above was 49.7%, and nearly 66% of local government hidden debts at the district and county levels were concentrated in the eastern region. Asset quality was controllable. The NPLs were RMB90 million, the NPL ratio was 0.09%, and the ratio of special-mention loans was 1.44%, all lower than the average level of corporate loans of the Bank.

In the second half of the year, the Bank will continue to hold the bottom line of compliance and prudence, and, in line with the market-oriented and law-based principle, strengthen the primary source of repayment, and continuously optimize the credit structure. It will strengthen the management of regional and customer concentration, and enhance the proactive post-lending and early warning management capabilities to effectively guard against credit risks.

2.6.5.4 Risk Control for Consumer Credit Business

Risk Control for Personal Consumer Loans

Affected by various factors including economic cycles and external disruptions, the consumer credit market is currently facing phased problems despite its positive long-term prospects. Overall demand for consumer loans in the household sector remains relatively weak, while the overall risk level of consumer loans has increased. As at the end of the reporting period, the balance of personal consumer loans of the Bank stood at RMB272.056 billion, and the ratio of non-performing personal consumer loans was 2.44%. The ratio of special-mention loans was 1.13%, and the overdue ratio was 3.56%.

The Bank acquired customers in bulk by targeting selected enterprises, strengthened the admission and process management of such enterprises, and improved the overall quality of business through customer structure optimization. Meanwhile, the Bank continuously refined the differentiated management and control mechanism, built a dynamic monitoring system covering multiple dimensions including products, customer groups, regions and channels, and carried out multi-level tracking and monitoring of the asset quality. The Bank also implemented differentiated risk control strategies to enhance risk management effectiveness and maintain asset quality of personal consumer credit business overall stable.

Risk Control for Credit Card Business

Adhering to prudent risk management appetite in credit card business, the Bank advanced the integrated development of risk control, built a refined risk strategy framework integrating "customer groups, regions, industries, and scenarios", and strengthened the guidance of targeted customer groups and implementation of differentiated regional strategies for credit card business. Through integrated allocation of credit resources and pricing resources, the Bank continued to improve the credit card customer structure and asset structure. The asset quality of credit card business remained stable during the reporting period. As at the end of the reporting period, the balance of credit card non-performing loans stood at RMB12.516 billion, an increase of RMB279 million from the end of previous year, and the ratio of non-performing credit card loan was 2.73%, up by 0.22 percentage points from the end of previous year.

In the second half of the year, the Bank will further strengthen the full-process digital risk control capacity building for its credit card business, explore the application of new technologies, and enhance the effectiveness of full-process risk detection. The Bank will adopt a target customer group-oriented approach, and strengthen the quality and effectiveness of customer group restructuring. The Bank will shift risk control nodes forward to the credit utilization phase, accelerate the development of in-house collection teams, and actively dispose of non-performing assets, to ensure stable and controllable asset quality of credit card business.

2.6.6 Formation and Disposal of Non-performing Assets

During the reporting period, the Group firmly committed to the primary task of promoting high-quality development, pursued progress while maintaining stability, and effectively addressed various risks and challenges, with the asset quality continuing to improve steadily. As at the end of the reporting period, the NPL ratio of the Group was 1.16%, unchanged from the end of the previous year, and the NPL formation ratio was 0.55%, a decrease of 0.07 percentage points year on year.

Aiming to reduce losses, increase efficiency, and create value, the Group strengthened the refined management of non-performing assets, enhanced forward-looking analysis, further advanced the platform building for special 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 and disposed of non-performing loans totaling RMB40.459 billion, including RMB12.468 billion through regular write-offs and RMB18.889 billion through asset securitization.

2.6.7 Application of Artificial Intelligence

Aiming for full-scale intelligent operations, the Bank adopted the "large model + small model" integration as technical roadmap, and iterated and upgraded the artificial intelligence (AI) foundational capabilities and framework. The Bank continued to promote the "AI +" initiative, explored and formulated a new model of intelligent development featured by "capacity co-building, scenario co-expanding, value sharing", and further advanced "AI + finance" integrated innovation, in a bid to build a leading intelligent bank among peers.

In terms of platform capabilities, the Bank continued to iterate and upgrade its small model platform, and applied it on a large scale. The "CITIC Brain", a small model R&D platform, was further refined in terms of modeling tools and development capabilities to offer eight automated modeling scenarios and realize the integration of training and inference. As a result, the average modeling cycle was shortened by 20%. The Bank built a full lifecycle management system of decision-making models, rolled out over 600 AI models in total, and achieved large-scale application in areas such as risk compliance and intelligent recommendation. **The Bank built a bank-wide large model-enabled joint office integration team, and basically completed the technology foundations for large models.** It established a platform system covering model training and inference, AI application development and knowledge management, and completed deployment of mainstream large models including the DeepSeek and Qwen series across all scenarios in the domestic computing power environment and the implementation in more than 70 scenarios including daily assistance, centralized operation and smart marketing.

In terms of application scenarios, the Bank actively explored new paradigms of AI empowering customer marketing, management decision-making, operations, risk control and other key areas, and built up more than 1,600 smart service scenarios. During the reporting period, the Bank achieved efficiency gains equivalent to over 8,600 person-years by leveraging intelligent models. **In area of "AI + marketing"**, the Bank built a bank-wide comprehensive customer management algorithm model cluster integrating large models and small models, achieving intelligent matching across all customers, products, and channels. The AI approach facilitated marketing efforts to acquire 21 thousand customers, and increased deposit volume by RMB31.2 billion during the reporting period. **In area of "AI + service"**, the conversational AI platforms have become the Bank's largest proactive customer engagement channel, reaching over 28.30 million customers during the reporting period. **In area of "AI + decision-making"**, the Bank incubated digitalization projects for pricing management, set up pricing management indicators and a price calculation engine, and digitalized the management of interest margin. **In area of "AI + operations",** the Bank combined small model (OCR) with large model (layout recognition) technologies to enhance operational process efficiency and empower the centralization of businesses such as corporate account opening and modification services. AI was applied to assist in classification, identification, and review, with the AI data entry rate over 80%. **In area of "AI + risk control"**, the Bank carried out the digital risk control campaign, built the AI diagnostic system of risk management, and established a mechanism of virtuous cycle featuring "diagnosis, treatment, improvement". The system automatically generated risk diagnosis reports based on natural language processing (NLP) technology, and formulated risk resolution plans tailored for each branch, reducing the risk screening time from days to minutes.

2.7 Implementation of the "Five Leading" Strategy

2.7.1 A Leading Wealth Management Bank

Closely following the trend of the era of great wealth and changes in customers' wealth needs, the Bank further advanced the "Retail First Strategy", with a focus on developing an advantage in systematic retail operations, and continued to build itself into a "leading wealth management bank". As at the end of the reporting period, the balance of retail assets under management (at market value) of the Group stood at RMB4.99 trillion, an increase of 6.52% from the end of the previous year.

The Bank improved the operation system and deepened capacity building. The asset allocation capability in wealth management was enhanced, personal deposits saw continuous growth, and the deposit mix, driven by the growth of demand deposits and short-term deposits, was further optimized. The scale of personal wealth management and agency fund distribution increased, which boosted the rapid growth of both wealth management revenue and fee-based income year on year. **The Bank enhanced the effectiveness of digital applications**. It built a real-time business opportunity system based on the "one horizontal" platform. The bank-wide monthly average customer reach increased by over 20% from the end of the previous year. The number of localized strategies implemented across branches doubled compared to the beginning of the year. The effectiveness of "five expertise"[9] comprehensive customer management was further enhanced, with customers served in the areas of "three expertise" and above demonstrating continuous growth year on year. **The Bank advanced its retail risk control capabilities**, proactively strengthened risk control of retail credit, and refined the differentiated approval strategies to mitigate asset quality deterioration. As a result, early overdue rates of both key credit-based products in personal lending and credit cards declined year on year.

[9] "Five expertise" refers to expertise in settlement, investment, financing, activities and services.

The Bank strengthened its core business and focused on building "three business cards" of asset management, private banking, and consumer finance. In terms of asset management, the Bank adhered to an integrated "dual wheel-driven" model of "multi-asset and multi-strategy portfolio investment + investment advisory services". The point-in-time and incremental scales of wealth management products remained among the top in the industry, and the AUM of non-cash management products was industry-leading. **In terms of private banking**, the Bank upgraded the tiered management system for private banking customers, with a focus on account attribution, intensive management, and full-chain advancement. The annual increase in customer acquisition reached a record high for the same period in history, and the coverage rate of intensive operations conducted through private banking centers increased by 7.57 percentage points compared to the end of the previous year. **In terms of consumer finance**, the Bank actively supported the initiative to expand domestic demand, boost consumption, and improve people's livelihood by focusing on essential livelihood scenarios such as affordable housing, new energy vehicles, as well as convenience in dining, accommodation, transportation, entertainment, and shopping. The personal housing mortgage loans and auto loans achieved year-on-year increases. The proportion of credit card customer acquisition through high-quality scenarios of dining, accommodation, transportation, entertainment, and shopping increased year on year. A package of consumer finance stimulus measures was rolled out, including state subsidies, preferential credit, and festive activities. The coverage of key marketing campaigns and services increased by 5.34% compared to the end of the previous year.

The Bank enhanced its distinctive advantages with a focus on strengthening the "two specialties" of pension finance and going abroad finance. For pension finance, the Bank iterated the "Happiness +" service system to meet the diverse needs of elderly care of various age groups, such as those preparing for pension plans, those approaching retirement, and elderly customers. The Bank innovatively introduced the "bank + insurance + trust + industry" four-pronged, trust-based pension service. The middle-aged customers preparing for pension plans and elderly customers of the Bank exceeded 100 million, up by 5.14% from the end of the previous year. **For going abroad finance**, the Bank further forged its brand as the "preferred choice for both outbound and inbound visitors", strengthened cooperation with foreign embassies in China, tourism bureaus, international card organizations, among others, upgraded differentiated services of going abroad finance, and deepened the whole-journey going abroad finance service system so as to provide customers with comprehensive, multi-level cross-border financial solutions. The number of customers for going abroad finance continued to grow.

The Bank leveraged its advantages in synergy and unleashed the value of coordination. The Bank strengthened the integration of corporate banking and retail banking and established a long-term corporate-retail integration promotion mechanism. Centering on premium corporate service scenarios, the Bank provided customized industrial service solutions to drive the acquisition of quality retail customers and deposit accumulation. The number of newly signed enterprises with about 1,000 employees on payroll services and those with about 100 employees on payroll services demonstrated relatively rapid growth year on year, contributing to the consistent year-on-year increases in both the number of effective payroll customers and payroll amount. **The Bank deepened the dual interaction of debit cards and credit cards**. The number of customers with both debit cards and credit cards continued to increase compared to the end of the previous year, and the proportion of credit card customers acquired through branch channels increased for five consecutive years.

2.7.2 A Leading Comprehensive Financing Bank

During the reporting period, grounded in enhancing comprehensive financing capabilities, the Bank refined the institutional framework, innovatively iterated products, enriched the cooperative ecosystem, and improved the management of customer groups. It continuously built the "commercial banking + investment banking + collaboration + matchmaking" ecosystem, and made steady progress in building a leading comprehensive financing bank. As at the end of the reporting period, the balance of comprehensive financing of the Group stood at RMB14.78 trillion, an increase of 3.43% from the end of the previous year.

The "greater commercial banking" ecosystem focused on specialty tracks, including government finance, chain finance, cross-border finance, and park finance, to continuously improve the quality and efficiency of serving the real economy. **As for government finance**, centering on the major national strategies and plans, the Bank proactively provided governments at all levels with full-cycle, full-process services for local government bond projects. **As for chain finance**, the Bank further advanced customer acquisition through supply chain and the hierarchy of the equity chain, and focused intensively on scenarios of the major customer investment chain to continuously improve the comprehensive financing service capabilities for major customers. The Bank strengthened innovation in product and service models, and enhanced financing support to SMEs in key industries through supply chain finance. During the reporting period, the Bank provided 35.6 thousand enterprises with more than RMB900 billion supply chain financing in total, a year-on-year increase of 14.24% and 29.11%, respectively. **As for cross-border finance**, aiming to promote the high-standard financial opening up, the Bank built a high-quality operation and development system for three types of cross-border accounts (NRA/FT/EF). As at the end of the reporting period, the RMB balance of offshore accounts of the Bank recorded RMB70.050 billion, an increase of 63.39% from the end of the previous year. **As for park finance**, the Bank focused on national-level parks and local characteristic industrial parks, targeted industrial clusters and customer groups, and provided industrial clusters in key regions with tailored services. The Bank also continued to deepen cooperation with all parties within the parks to enhance its financial scenario development and comprehensive support capabilities in serving parks, industrial clusters, and sci-tech innovation enterprises.

The "greater investment banking" ecosystem focused on the two key areas of debt capital market and equity capital market, and continuously forged the Bank's distinctive competitive advantage, to build the "commercial bank with the deepest understanding of the capital market". As for the **debt capital market**, the Bank underwrote 1,268 debt financing instruments with an underwriting scale of RMB443.120 billion, ranking first in the market in both the underwriting number and scale. As for the **equity capital market**, centering on core scenarios of market value management, capital operations, and M&A restructuring under the new circumstances, the Bank fully iterated the comprehensive financing business strategies and product mix, and achieved new breakthroughs in key financing service capabilities in the capital market. Closely following the policies on capital market reform, the Bank announced a total of 88 loans for share buybacks and shareholding increases, with an amount of RMB12.135 billion, which ranked among the top in the market.

The "greater collaboration" ecosystem further unleashed the benefits of synergy. The Bank further deepened and expanded internal coordination with financial subsidiaries and industrial subsidiaries within the CITIC Group, and enhanced resource integration in areas such as technology finance, green finance, capital markets, and cross-border finance, to create a distinctive collaborative service ecosystem. It launched synergistic initiatives to empower the rural revitalization and enterprises with specialized, sophisticated techniques and unique, novel products, and carried out pilot comprehensive financial scenarios in areas of technology enterprise services, cross-border commerce services, and asset revitalization innovation, among others. The Bank leveraged the finance-finance synergy with shared strengths to enhance comprehensive financing service capabilities for key customer groups.

The "greater matchmaking" ecosystem has become increasingly effective at integrating market resources. With the focus on ecosystem building, system layout, scenario expansion and capability improvement, the Bank strove to create a resource coordination hub with banking at the core, and expanded the "toolkit" for matchmaking services centering on seven high-value scenarios including private equity investment, non-standard investment & financing, equity contribution, and overseas bonds, in a bid to further advance the development of comprehensive financing services for customers. During the reporting period, the scale of the Bank's matchmaking business under custody increased by RMB63.616 billion. It continued to enhance efforts in establishing the private equity fund ecosystem and focused on building an equity fund matchmaking platform. During the reporting period, the scale of newly registered equity funds under custody reached RMB65.068 billion.

2.7.3 A Leading Trading Settlement Bank

During the reporting period, the Bank was committed to the strategic goal of building a leading trading settlement bank, adhered to a settlement-first approach supported by financing, built a matrix-based coordinated management and execution system, and achieved sustained progress in platform, products, and scenarios, making all-out efforts to accelerate the development of advantages in trading settlement services.

The Bank established a coordinated management and execution system. It implemented collaborative governance and joint problem-solving mechanism across corporate banking divisions, and established a four-pronged execution system combining marketing promotion, core business, monitoring & evaluation, and resource support, forming a multi-dimensional network for settlement. The Bank strengthened the closed-loop circulation and cyclical undertaking of corporate customers' settlement funds to further enhance the effectiveness of payment settlement and demand deposit retention. **The Bank continued to improve its platform trade settlement capability**. It built a platform matrix mainly composed of Tianyuan Treasury, Xiao Tianyuan (formerly known as "Easy Salary"), and corporate online banking, and formed a multi-tiered trading settlement platform, thereby covering services tailored for large-sized customers, small and medium-sized customers, as well as general customers. The Bank further upgraded platform performance and user experience, and expanded the external connectivity of the platform to deepen ecosystem integration. The quality and efficiency of a four-tiered operation and service system were enhanced across the board. Integrating the four tiers of AI-powered customer service, 95558 customer service hotline, operation and maintenance teams of local branches, and the business-technology integrated team of the Head Office, the system realized one-click direct access to the professional teams of the Head Office, which significantly improved the effectiveness of customer issue resolution and eased the pressure on customer managers in responding to customer inquiries. **The Bank consistently enhanced its product competitiveness**. Based on customer demands for scenarios of procurement, sales, and inventory, the Bank configured product functions in a targeted manner, promoted product integration and upgrading, and developed three product series covering procurement, sales, and treasury management, further enhancing customer experience. By launching the upgraded products such as the new fund pool corporate version and the Letter of Guarantee corporate version, the Bank enhanced its capability in providing integrated business-finance services for major customers. By enriching automatic credit-granting scenarios for products such as the "Letter of Guarantee – Speedy Issuance", the Bank enhanced its capability of acquiring small and medium-sized customers. **The Bank continued to enhance its engagement in key industry scenarios**. The Bank leveraged its advantage in auto finance, adapted to automobile market trends, and delivered customized financial solutions to advance the better development of the automobile industry chain. Focusing on major consumer sectors such as new retail, consumer electronics, and food & beverage, the Bank provided customized, full-chain trading settlement solutions, targeted core transaction scenarios, and tapped into key customer groups. Through the "benchmark building + replication and promotion" approach, the Bank achieved improvement in both business quality and efficiency.

2.7.4 A Leading Forex Service Bank

Adhering to the philosophy of providing "specialized, swift, smart" services and the value of "building a global value chain through CITIC forex business", the Bank closely followed the national strategy of high-standard opening up, served the "Going Global Strategy" for enterprises and the Belt and Road Initiative (BRI), and built a product portfolio that covers all accounts, scenarios and lifecycle stages of forex business and a one-stop service platform for cross-border finance, thereby establishing a comprehensive cross-border finance service system.

The Bank continuously consolidated its capabilities in new international settlement business. For large multinational enterprises, the Bank continued to deepen the global industrial chain of customers, and provided customers with comprehensive cross-border financial service solutions comprising fund pools, cash management, foreign exchange funds, and supply chain financing, with cross-border fund pools as the core product complemented by products such as global multi-bank account services. Relying on the diversified global cash management service platform, the Bank realized the connectivity of "domestic, cross-border, and foreign" clearing and settlement services to provide customers with online, multi-channel global fund management services. The Tianyuan Treasury platform launched the "Global Collection and Payment", an intensive management service to comprehensively upgrade the digital services of global treasury management and achieve "global reach within one click". **For small and medium-sized foreign trade customers**, the Bank relied on its first-mover advantage and further consolidated its leading position in financial services for new forms of foreign trade such as cross-border e-commerce platforms. Centering on emerging demands and opportunities in cross-border e-commerce, the Bank pioneered new frontiers and new scenarios for payment institutions and electronic documents, and delivered fully online scenario-based services for leading logistics companies. **Leveraging big data, AI, and other technologies, the Bank enhanced its international settlement service and customer experience**. It rolled out the "Cross-Border Express Remittance" service series to provide more digitalized financial services for small and medium-sized foreign trade customer groups. In active response to policy requirements of foreign exchange facilitation, the Bank launched full-scenario convenient and smart services to enable enterprises to handle capital account foreign exchange settlement and payment fully online, effectively serving the development of the real economy.

The Bank increasingly demonstrated its value in providing new cross-border services. Committed to serving the BRI, enhancing financial connectivity, and advancing the RMB internationalization strategy, the Bank leveraged the free trade zone (FTZ) business as a breakthrough to deeply integrate itself into the country's new development paradigm of dual circulation. Relying on the pilot FTZs in Shanghai and Guangdong, as well as Hainan Free Trade Port, the Bank established a multi-dimensional cross-border financial service ecosystem and prioritized the leading role of the three types of cross-border accounts (NRA/FT/EF) in serving enterprises "going global" and "bringing in". During the reporting period, both the number of cross-border account openings and the loan balance registered double-digit growth compared to the end of the previous year. The Bank actively supported enterprises in undertaking engineering contracts and project construction in BRI participating countries. During the reporting period, the amount of overseas letters of guarantee issued by the Bank stood at RMB19.839 billion, and export credit projects in Cameroon and other countries were implemented, with the financing balance increasing by 7.75% from the end of the previous year. The Bank continuously enhanced its capabilities in cross-border transaction services. With the goal of delivering full-functional, 24/7 online services, the Bank continuously iterated the online forex trading platform "Forex Trading Express", which cumulatively served enterprises with forex trading volume of USD152.941 billion since its launch, and assisted 13,348 enterprises with "one-stop access" to handle forex hedging online. In addition, the Bank comprehensively participated in building the factor market system, enhanced the connectivity of financial markets at home and abroad, and optimized the service model for cross-border institutional investors. During the reporting period, the Bank's forex market-making trading volume realized a year-on-year increase of 41.50%, and the scale of forex trading services offered to cross-border institutional investors saw a year-on-year increase of 22.20%. The number of transactions through Northbound Bond Connect and Northbound Swap Connect under Bond Connect showed steady growth. The Bank continued to diversify the range of currency quoted in its forex trading and listed direct trading between RMB and 20 foreign currencies, including New Zealand dollar, South African rand, Kazakhstani tenge, Thai baht, South Korean won, Indonesian rupiah, Singapore dollar, among other currencies of BRI participating countries to meet the exchange rate management needs of enterprises "going global".

The Bank further deepened the foreign exchange business expansion reform and the high-standard opening-up pilot program. During the reporting period, all of the 37 tier-one branches made breakthroughs in institutional business, further enlarging the coverage of policy facilitation while enhancing the Bank's risk management capabilities.

2.7.5 A Leading Digital Bank

The Bank steadfastly advanced the strategy of building the Bank's 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 bank and fostered new growth drivers and advantages for digital competition.

The Bank upgraded the digital service system across all fronts to accelerate the unleashing of its business value. It rolled out the technology-business integration 2.0 model, where the integrated teams fully shifted forward to the front end of business requirement planning, integrated technology resources with business scenarios, and delivered end-to-end one-stop technology solutions, achieving improvement in both quality and efficiency of business requirement delivery. During the reporting period, the Bank rolled out and upgraded a series of high-value digital achievements by phases, including Tianyuan Treasury, Xiao Tianyuan (formerly known as "Easy Salary"), New-Generation Acquiring Platform ("Nebula"), Centralized Operation 2.0, and the Smart Custody Project. Focusing on core products, the Bank established a four-tiered technology service support system for customers and customer managers, consisting of the following four levels: AI-powered customer service, 95558 customer service hotline, service support teams of branches, and the service support team of the Head Office. During the reporting period, over 50 thousand inquiries from customers and customer managers were answered, with the average processing efficiency increasing by over 70%. The customer experience was effectively improved. **In terms of retail banking**, the Bank built a digital management and application platform for retail customer acquisition scenarios and realized unified management of customer acquisition scenarios across the Bank. The New-Generation Acquiring Platform (Nebula) supported payments across all scenarios, through all channels, and by all media, which significantly improved the efficiency of business development and operations at the frontline. **In terms of corporate banking**, the Bank successfully completed the main function development and early launch of the corporate credit system cluster project (Galaxy). With Tianyuan Treasury at the core, the Bank developed a penetrative regulatory solution and established a supply chain center, with transaction volume doubling year on year. The scale effect of the Internet of Things (IoT) financial platform emerged. Over 10 application including smart security, lease financing, and smart vault scenarios were implemented. During the reporting period, business scales in leasing, spot financing, and other scenarios increased by 90% year on year. **In terms of financial market business**, the Bank further advanced the initiative to expand the sales and trading flow statement, established a financial markets sales and trading system with CITIC characteristics, which integrated the Head Office and branches, and enabled data-driven marketing and operational decision-making. During the reporting period, the transaction volume of customers exceeded RMB2.8 trillion, representing a year-on-year increase of over 45%. The Bank promoted the implementation of the Smart Custody Project and upgraded the "Custody+" business model with digital tools, with assets under custody surpassing RMB17 trillion, and the scale of Southbound Bond Connect ranking first among pilot banks.

The Bank made solid progress in strengthening the digital capability foundation, and accelerated the cultivation and development of new, quality productive forces. The Bank established the next-generation big data foundation that is independent and controllable to fully meet timeliness requirements across different business scenarios, and developed an integrated data management system characterized by "consistent naming, meaning, and source". Monthly active users (MAU) of the unified data utilization and extraction platform (Intelligent Data Platform) increased by 56% from the beginning of the year, providing strong support for the Bank's data mining and value release. Based on the national strategic requirements and market realities, the Bank leveraged the collaborative advantages among industries, universities, and research institutions, addressed technological bottlenecks, and facilitated the rapid application of valuable innovative achievements. Specifically, the Bank promoted the national key research project on post-quantum cryptography in an orderly manner, and completed the design and renovation of the second-generation payment system, as well as the design for integrating a post-quantum cryptography migration testing platform. The Bank steadily advanced the "Operation Rock" of CITIC Group for science and technology innovation, and jointly established a group-level fintech innovation center with institutions such as CITIC Securities and China Securities. It leveraged resources from multiple parties to build an open innovation platform and defined five key research areas, including trusted technology and quantum technology.

Special Column **Digital Finance**

The Bank resolutely implemented the strategic plans on digital finance of the country, and revamped the value chain across management, business, and operations of the Bank through digitization. Driven by scenario-based, ecosystem-oriented, intelligent, international, platform-driven, and automated business development, the Bank continuously improved its digital financial service capabilities. As at the end of the reporting period, the Bank's balance of loans to core industries of the digital economy exceeded RMB270 billion, effectively boosting the development of the digital economy industry.

In terms of scenario-based development, the Bank leveraged digitalization to upgrade business across all scenarios and channels, improve system expansion capabilities, and build a three-pronged financial service system featuring high-frequency reach, targeted services, and ecosystem synergy, covering all scenarios. For retail customers, the Bank established a customer acquisition system covering ten core sectors and hundreds of scenarios, and provided operating loans of nearly RMB90 billion to about 150 thousand micro and small-sized business owners and farming households in ten major livelihood sectors across the country. For corporate customers, the Bank developed the inclusive "CITIC Easy Loan" product system and service brand for legal persons. More than 80% of businesses were fully digitalized with zero human intervention, driving the balance of supply chain loans to grow eightfold over three years. For interbank customers, the Bank established a full-process "matching + market-making" digital closed loop based on the bond ecosystem, and realized a bond trading volume of RMB4.6 trillion.

In terms of ecosystem-oriented development, the Bank built a multi-dimensional digital ecosystem based on the strategic pillars of technology, data, collaboration, and value. For the corporate banking business, the Bank comprehensively upgraded the functions of its inclusive financial platform, iterated the "Logistic E Loan", "Sci-Tech E Loan", and "Commercial Bill E Loan", and fully realized self-service loan disbursement, with the number of customers served by each customer manager increasing threefold. For the retail banking business, the Bank deepened the development of the ecosystem, with the "E Butler" focusing on fund settlement, scenario co-building, and batch customer acquisition in 2B2C scenarios, and provided enterprises with an integrated funding solution comprising collection, management, and payment. The cumulative transaction volume exceeded RMB2 trillion, ranking among the top tier in the industry.

In terms of intelligent development, the Bank strengthened the technical foundation of services on all fronts with cutting-edge AI technologies, including large models, and established an intelligent system for business, operation, and management. It rolled out a series of digital assistants that integrated large models and small models, including smart enterprise assistant, smart marketing assistant, digital teller assistant, and the digital human "Xiaoxin", effectively unleashing business value. Specifically, relying on intelligent agent technology that integrated large models and small models, the Bank fully upgraded digital wealth management advisor "Xiaoxin", and developed a service system composed of general intelligent agents and specialized intelligent agents, which served 5.78 million customers in total and comprehensively enhanced the quality and efficiency of intelligent services.

Special Column **Digital Finance**

In terms of international development, the Bank supported the global expansion of business with technologies, and, relying on the "CITIC Forex+" comprehensive cross-border financial service system, established a dual-engine development model of "policy guidance + technology drive". It expanded its new foreign trade service model with the major product, "Xinhui e-Commerce", achieving cumulative foreign exchange receipts and payments of over USD4.4 billion during the reporting period. The Bank launched offshore online banking services for offshore customers, and redesigned the customer-facing processes of key products such as letters of credit and cross-border remittance, which led to a 44% year-on-year growth in the number of active international business customers of online banking. The Bank continued to enhance its global payment capacity building and promoted the direct connection and integration with "ICBC Global Pay" and seven overseas banks, comprehensively enhancing the internationalization of foreign exchange services.

In terms of platform-driven development, the Bank applied a unified platform for operational management across the whole business process. It upgraded the Mobile Processing Platform (MPP) for corporate customers by launching the Corporate Due Diligence Sharing Center and other functions and expanding mobile operational scenarios to comprehensively improve full-process digital business management service capabilities. The Bank continued to build the "one horizontal" platform for unified retail business strategies. As a result, the bank-wide monthly average customer reach expanded by over 20% from the end of the previous year. The number of localized strategies implemented across branches doubled, and the comprehensive business strategy contributed 50% to the growth of key metrics such as retail AUM.

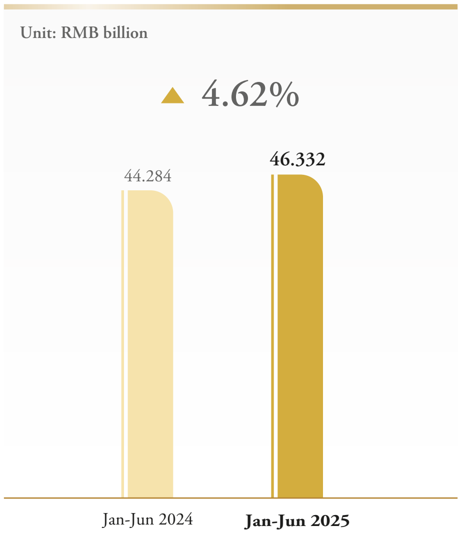
In terms of automated development, the Bank relied on technologies such as Robotic Process Automation (RPA) and Optical Character Recognition (OCR) to advance the informatization of manual work and the automation of standardized work in an orderly manner. The Bank achieved remarkable results in the application of process automation technologies, which covered over 1,800 automated business scenarios. Innovations in corporate banking addressed the challenges of account connectivity for central and state-owned enterprise customers and automated the integration and operations of non-direct online banking connections, which has become an effective tool for breaking ground in corporate customer acquisition. For retail banking, the Bank focused on improving the efficiency of frontline customer service agents by deploying 800 RPA virtual agents, which boosted the service efficiency of each agent by 60%.

2.8 Business Overview

2.8.1 Corporate Banking

During the reporting period, for corporate banking business, the Bank, upholding the purpose of serving the real economy and centering around effective customer demands, enhanced efforts in the "Five Priorities" of the financial sector as the main areas of competition, continuously optimized the customer structure, industry structure and business structure, and steadily improved the quality and efficiency of financial services for the real economy. The Bank accelerated the efforts to build a "Five Leading" bank, and continuously enhanced core competitiveness. It improved the stratified and classified customer management system, provided comprehensive, customized and diversified product and service solutions in a targeted manner, and comprehensively strengthened customer service capabilities, achieving new headway in the coordinated development of corporate banking business in terms of volume, price, quality, customers, and efficiency.

Corporate banking business net operating income



During the reporting period, the Bank's corporate banking business registered a net operating income of RMB46.332 billion, up by 4.62% year on year, accounting for 47.90% of the Bank's net operating income, up by 4.16 percentage points from the same period of the previous year. Specifically, the net non-interest income from corporate banking totaled RMB7.509 billion, accounting for 25.29% of the Bank's net non-interest income, up by 1.77 percentage points from the same period of the previous year.

2.8.1.1 Customer Management

Attaching equal importance to quantity and quality in customer management, the Bank continued to refine the stratified and classified management system for corporate customers, expanded quality customer base that is certified by the state, recognized by the market, and acknowledged by the industry, enhanced the operation of small and medium-sized customer groups through the empowerment of intelligent business opportunity management, and organized multiple rounds of "Serving Ten Thousand Enterprises, Supporting Enterprises Growth" campaigns, to continuously inject financial vitality into economic development. As at the end of the reporting period, the Bank recorded 1,328.6 thousand corporate customers, an increase of 62.0 thousand from the end of the previous year. Among them, there were 318.9 thousand basic customers[10], and 177.9 thousand valid customers[11], up by 1,733 and 2,100 from the end of the previous year respectively.

Major Customers

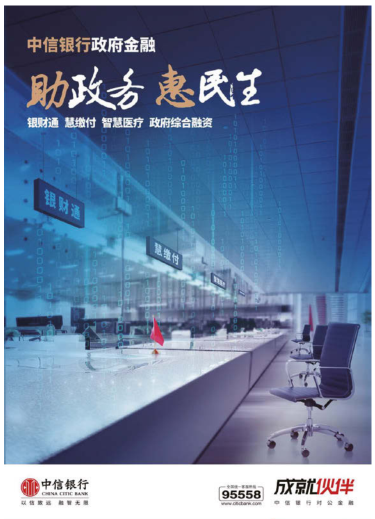
Leveraging the advantages of synergy of CITIC Group, the Bank took a customer-specific approach in the management of major customers[12] by tailoring comprehensive financial service solutions for customers, implemented major project management, and innovated supply chain finance products. Focusing on major customers, the Bank worked to acquire new customers by extending the supply chain and pursued hierarchical development of the equity chain, simplified business processes, expanded business authorization, and allocated differentiated resources.

During the reporting period, the Bank continued to deepen industrial research, and optimized the business cooperation plans for 20 industries, significantly boosting the quality and efficiency of cooperation with strategic customers in key industries. The Bank continued to enhance marketing efforts among central SOEs, and further strengthening the partnership with central and state-owned enterprises. The Bank continued to advance the customer-specific operation for top-tier customers, and achieved a breakthrough in the cooperation with 19 high-quality groups. It further expanded the chain-based business network, and systematically advanced marketing efforts across major customers' supply chains, equity chains and settlement chains. During the reporting period, the three chains operation contributed to 8,224 new account openings.

As at the end of the reporting period, the Bank's balance of loans to major customers stood at RMB1,298.418 billion, an increase of 13.17% from the end of the previous year. The average daily balance of deposits from major customers stood at RMB1,727.751 billion, an increase of 3.85% from the end of the previous year.

Government and Institutional Customers

The Bank has been committed to providing government and institutional customers at different levels and of various types with quality financial services, and strengthened partnership with major customer groups in key fields, working to improve the brand value of government financial services of CITIC Bank.



During the reporting period, the Bank comprehensively deepened cooperation with governments at all levels, and further improved customer service networks. It was rated "excellent" for the first time in the assessment of the all three agent services of central government fiscal receipts and payments, achieved the integration of fiscal budget at all tier-one branches, and newly obtained 90 fiscal agency qualifications. The Bank played a positive role in practicing national strategies and advancing high-quality development. It helped address the concerns of governments with full-process services associated with local government bonds, covering major national projects and key development fields such as traffic infrastructure, new infrastructure, urban renewal, information technology, digital economy, and low-altitude economy, and participated in more than 400 special bond issuance projects. The Bank leveraged its advantages in custody and collaboration, and actively participated in the management of government investment funds. The Bank deeply engaged in the digital transformation of governments, enabling governments at all levels to "get one thing done efficiently", shifting from "accessible services" to

10 Referring to corporate customers with a daily average deposit and wealth of RMB100 thousand and above in the year.

11 Referring to corporate customers with a daily average deposits and wealth of RMB500 thousand and above in the year.

12 The list of major customers mainly consists of leading enterprises functioning as the pillars of national economy and high-market-value listed companies. Data for the reporting period and at the beginning of the period have been adjusted according to the changes in the scope of customer list.

"convenient services". The Bank further deepened the cooperation model featuring "finance + technology + government affairs", achieving extensive coverage across government affairs scenarios such as fiscal affairs, social security, judicial administration, housing and urban-rural development, higher-education institutions, and hospitals, as well as the rapid promotion of related products, which contributed to an increase of over 2,000 customers in relevant fields.

As at the end of the reporting period, the Bank recorded 96.9 thousand accounts of government and institutional customers[13], an increase of 3.4 thousand or 3.64% from the end of the previous year. The average daily balance of deposits of government and institutional customers posted RMB1,385.651 billion, an increase of RMB41.244 billion or 3.07% from the end of the previous year.

Small and Medium-sized Customers

Upholding the operation logic of targeting "10, 100, 1,000 and 10,000 Customers"[14], the Bank followed the path that puts equal emphasis on quantity and quality, and continuously improved and the system of powering development in four dimensions of "policies, services, products and collaboration", and worked persistently to strengthen the building of small and medium-sized customer operation systems centering on high-quality channels, high-growth customer groups, high-standard operation, and high-efficiency integration between corporate banking and retail banking.

During the reporting period, the Bank continued to build **high-quality customer acquisition channels**, strengthened connections with government departments, industrial clusters, industrial parks, chambers of commerce, etc., and carried out marketing activities such as "CITIC Services Benefiting 10,000 Enterprises". The Bank continued to serve **high-growth and high-quality customers**, and in line with standards that are certified by the state, recognized by the market, and acknowledged by the industry, focused on ten key customer groups, including enterprises with specialized, sophisticated techniques and unique, novel products as well as manufacturing champion enterprises in single segments, improved service solutions, and carried out digital marketing and list-based customer acquisition. The Bank further enhanced **high-quality and in-depth operation**, made good use of the combined strategies of "acquiring new customers, expanding existing customers, preventing customer attrition, and promoting customer activity", accelerated the implementation of the credit system characterized by "Two Strengthens and Two Developments"[15], optimized assessment and incentive policies, launched and improved products and services such as "Xiaotianyuan" and "CITIC Benefits +" so as to continuously deepen customer management. The Bank **continuously boosted the high-efficiency integration of corporate banking and retail banking**. Relying on platforms such as CITIC Equity Investment Alliance and sub-committees for investment banking, the Bank worked to improve customer acquisition efficiency with the focus on integrated scenarios such as payroll disbursement, payment and settlement, and capital market conversions, and upgraded the "triple privileges"[16] for entrepreneurs, providing customers with comprehensive services.

As at the end of the reporting period, the number of small and medium-sized customers[17] of the Bank reached 307.9 thousand, an increase of 1.2 thousand compared with the end of the previous year. The average daily balance of deposits from small and medium-sized customers was RMB909.405 billion, an increase of RMB24.351 billion from the end of the previous year.

[13] Due to its need for management of corporate customers, the Bank reclassified the existing government and institutional customers and made corresponding regressive calculation of the beginning base figures.

[14] Targeting 10 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.

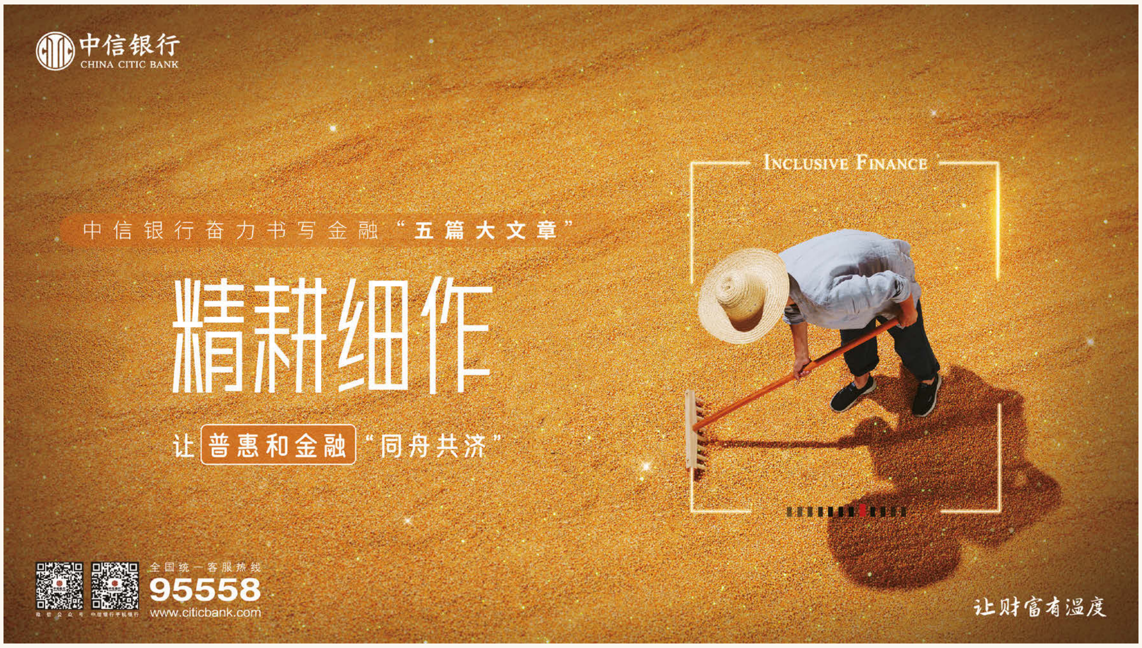
[15] "Two strengthens" refers to strengthening top-level design and integrated advancement of business lines; "two developments" refers to digitalization and specialization.

[16] Referring to pre-positioned rights, youth programs, as well as credit, investment, consulting, legal and tax services.

[17] The statistical scope covers corporate customers with an average daily corporate deposits and wealth between RMB100,000 (inclusive) to RMB50 million (exclusive) in the year, with the base figure at the end of the previous year adjusted accordingly.

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, fully, faithfully and comprehensively implemented the new development philosophy, and continued to improve the distinctive "five-pronged model" (scenario-based services, online process optimization, batch customer acquisition, intelligent risk control and data assetization) for inclusive finance. The efforts produced sound results.

The Bank improved the specialized organizational system characterized by "six unifications at the Head Office and four centralizations at branches"[18]. The Bank gave full play to the advantages of the coordination mechanism of the inclusive finance leading group and working group, and formulated the *Implementation Plan of China CITIC Bank for Supporting Financing for Micro and Small-Sized Enterprises*. It improved the coordination mechanism for supporting small and micro enterprises in financing, set up more specialized institutions and teams, continued to link inclusive finance indicators with the performance assessment of branch heads while maintaining the weight of inclusive finance indicators in the comprehensive performance assessment of branches at over 10%, and allocated subsidies, compensations and funds accordingly, to continuously stimulate the intrinsic motivation of primary-level institutions.

The Bank improved the online product system characterized by "complete service categories and excellent customer experience". It optimized the product R&D credit factory, upgraded existing products such as "Sci-Tech Innovation E Loan", innovatively launched services such as the "Online Renewal Mode for Housing Mortgage E Loan" and the "Digital Currency Mode for Government Procurement E loan", continuously enriched and improved the "CITIC Easy Loan" product system and user experience, and steadily enhanced the financing accessibility for micro and small-sized enterprises.

The Bank improved the targeted marketing system characterized by "digital empowerment and list-based customer acquisition". It upgraded the smart online banking and business opportunity platform, strengthened digital business cooperation with the National MSME Cash Flow Credit Information Interchange and the National Financing Credit Service Platform, and carried out marketing activities such as the "Strong Chain Action" and "Value Enhancement Action", to provide more targeted financing support for micro and small-sized enterprises.

The Bank improved the intelligent risk control system characterized by "promoting robust development and effective risk control". It continued to optimize the embedded risk management system for inclusive finance, strengthened the guidance of credit policies, improved the risk control strategy for key businesses, and enhanced the quality and efficiency of coordinated risk control through the "three lines of defense". The Bank enhanced data empowerment by expanding external sources and tapping internal potential, refined the models and rules for the intelligent risk control platform, upgraded the model monitoring and re-examination functions so as to boost the quality and efficiency of intelligent risk control.

[18] Unifications of systems, processes, products, systems, risks, and brands at the Head Office; centralizations of review, approval, loan granting, and post-lending management at branches.

Special Column **Inclusive Finance**

The Bank improved the integrated service system characterized by "customers first and collaboration". Taking advantage of CITIC Group's "full licenses in finance and full coverage in industries", the Bank provided one-stop "credit +" integrated services based on customer needs. For example, targeting small and micro-sized enterprises such as those with specialized, sophisticated techniques and unique, novel products, the Bank launched a five-prolonged characteristic solution integrating "linkage of equity, loan, bond and guarantee, integration of chains, clusters, parks and ecosystems, combination of foreign exchange, investment, financing and risk management services, services for individuals, families, enterprises and communities, and three-priority policy guarantee".

As at the end of the reporting period, the number of small and micro-sized enterprise customers[19] grew steadily, with the balance of loans reaching RMB1,736.657 billion, an increase of RMB80.794 billion from the end of the previous year. Specifically, the balance of inclusive loans to small and micro-sized enterprises[20] was RMB630.610 billion, an increase of RMB30.785 billion from the end of the previous year. During the reporting period, the interest rate on inclusive loans to small and micro-sized enterprises fell by 0.42 percentage points from the end of the previous year, effectively driving the steady decline of the comprehensive financing costs for small and micro-sized enterprises at the Bank. Asset quality was kept at a relatively sound level, with the NPL ratio lower than the average of the Bank's average for all loans.

Investment Banking Business

With investment banking business as an important pillar underpinning the practice of building a "leading comprehensive financing bank", the Bank implemented national strategies, seized market opportunities, and continued to promote innovation in the product system and consolidate its market position and competitive strengths. During the reporting period, the Bank recorded RMB1,108.330 billion of financing in the investment banking business, up by 16.08% year on year.

In terms of bond underwriting, the Bank continuously improved the full-chain integrated service system for the debt capital market, and further built CITIC's brand as the preferred choice for bond financing. During the reporting period, the Bank underwrote 1,268 debt financing instruments, with a total underwriting size of RMB443.120 billion, ranking first in the market by both the number and size of underwritten bonds[21]. The Bank facilitated the launch and issuance of the first sci-tech innovation bonds in China, covering 41% of the first batch, thereby strongly supporting the launch of the "technology board" of the bond market.

In the capital market, the Bank upheld the purpose of serving the real economy, focused on the high-quality development of listed companies and market value management scenarios, and provided integrated financing services for listed companies to address their financing needs throughout the lifecycle, staying ahead of peers in the industry in terms of capital market operations. In line with the national decisions and deployments to stabilize the capital market, the Bank actively served the market capitalization management needs of listed companies. As at the end of the reporting period, on a cumulative basis, the Bank announced 88 loans for share buybacks and shareholding increases, with a total announced amount of RMB12.135 billion, ranking first among joint-stock banks in both metrics[22].

In terms of M&A business, the Bank seized opportunities related to M&A financing, actively provided M&A financing services to support technological innovation, industrial integration, transformation and upgrading of enterprises, assist in state-owned enterprise reform and revitalization of existing assets. During the reporting period, in active response to the policy on pilot M&A loans for sci-tech enterprises, the Bank launched 22 pilot projects for technology enterprise M&A that covered 13 pilot cities. In five of these cities, the Bank launched the project either in the regional market or among the joint-stock banks, successfully establishing a first-mover advantage.

19 Referring to loans to small and micro-sized enterprises, and operating loans to self-employed individuals and micro and small business owners.

20 Referring to loans to small and micro-sized enterprises and operating loans to self-employed individuals and micro and small business owners, with a total credit of less than RMB10 million (inclusive) per borrower.

21 The ranking is based on the data of Wind Information.

22 The ranking is based on the data of Wind Information.

Special Column **Technology Finance**

The Bank thoroughly implemented the decisions and plans of the CPC Central Committee and leveraged "CITIC expertise" to serve "the country's needs". It adhered to the business philosophy of "six coordinations"[23], and vigorously forged the operating mechanism characterized by "six specializations"[24], so as to write a brilliant chapter in technology finance with CITIC characteristics. As at the end of the reporting period, the balance of loans to technology enterprises[25] stood at RMB660.637 billion, an increase of 8.14% from the end of the previous year.

In terms of system building, the Bank established a matrix management system comprising technology finance centers at both the Head Office and branches, pioneer sub-branches and technology sub-branches. As at the end of the reporting period, the number of key branches dedicated to technology finance increased to 21, the number of pioneer sub-branches for technology finance reached 267, 7 sub-branches specialized in technology finance were established, and 4 sub-branches were certified "technology sub-branches" by regulators. These efforts further strengthened the Bank's regional layout and consolidated the foundation for development.

In terms of customer group management, focusing on the high-tech and high-growth nature of target customers, the Bank developed a multi-tiered customer group of technology enterprises, consolidating the foundation for technology finance. As at the end of the reporting period, the Bank recorded 92.1 thousand technology finance customers, an increase of 7.63% from the end of the previous year. The Bank pressed ahead with the initiative to achieve full coverage in services to enterprises with specialized, sophisticated techniques and unique, novel products as well as manufacturing champions in specific areas of national level, with 10,947 accounts opened by the said two customer groups as at the end of the reporting period.

23 Coordinating the strategic positioning of "functionality" and "profitability", coordinating the empowerment of "financing" and "intelligent" services, coordinating the management of small, medium and large-sized customer bases, coordinating the "long-term" and "short-term" operation philosophies, coordinating the cultivation of "emerging" and "traditional" industries, and coordinating "development" and "risk control".

24 Establishing specialized mechanisms and building professional capabilities in six aspects: organizational structure, product system, approval mechanism, ecological system, due diligence and exemption, and resource support.

25 The statistical standards have been adjusted in accordance with changes in the list of technology enterprises, and the base figure at the beginning of the period has been adjusted accordingly.

Special Column Technology Finance

In terms of product innovation, closely following the policy orientation of "investing in early-stage, small enterprises with core technology for the long run", the Bank continued to improve the quantity and quality of product supply through multi-dimensional efforts including overall planning by the Head Office, thorough operation by branches, and ecosystem integration. During the reporting period, the Bank launched three exclusive products: Sci-Tech Achievement Conversion Loan, Technology Fixed Asset Loan, and Intellectual Property Financing Loan, to precisely serve the high-frequency scenarios of technology enterprises, promoted the upgrading of the Points Card Loan to Version 3.0, further expanding loans to technology enterprises, and guided branches to launch localized products, thereby providing targeted services to customers.

In terms of ecosystem building, during the reporting period, the Bank continued to deepen collaboration with the CITIC Financial Holdings Equity Investment Alliance and build a private equity ecosystem for technology finance. The Bank worked to create a five-dimensional customer acquisition ecosystem featuring "governments + parks + private equity + associations + research institutes", to build a service community for all and provide technology enterprises with diverse and professional services beyond finance.

In terms of digital and intelligent transformation, during the reporting period, the Bank improved the whole-process value judgment and risk management capabilities for technology finance by comprehensively leveraging technologies such as big data and AI, built a risk and technology attribute evaluation model for technology enterprises based on trusted data, optimized online approval parameters, and boosted the efficiency of digital risk control. The Bank further explored to embed AI large models into the credit process and to create a new model for human-machine collaboration.

International Business

The international business of the Bank follows the guidance of "adhering to high-standard opening up and moving faster to create a new development paradigm featuring dual circulation, in which domestic and overseas markets reinforce each other, with the domestic market as the mainstay", serves the "Going Global" enterprises, deeply engages in the Belt and Road Initiative, and steadily advances international business development in both quantity and quality.

Continuously facilitating cross-border trade. During the reporting period, the Bank continued to advance ecosystem-based operation of new business forms/platforms of foreign trade and micro, small and medium-sized corporate customers in foreign trade. It streamlined the digital process for tax filing and validation, which further automated the review of transaction authenticity. The Bank innovatively expanded the direct connection services for new forms of foreign trade platforms. During the reporting period, the transaction volume of "Xinhui e-Commerce" exceeded USD4 billion, and the Bank served nearly 30 thousand small and medium-sized foreign trade customers.

Continuously optimizing customer experience across online channels. During the reporting period, the Bank launched distinctive and innovative services such as AI-driven workbench, document tree management, and auxiliary document preparation, to comprehensively enhance the customer service capabilities of its smart online banking. During the reporting period, the number of active customers engaging in international business via the smart online banking increased by 44% year-on-year, with the transaction scale exceeding USD100 billion.

Continuously building a multi-sector value chain of greater forex service. During the reporting period, the Bank actively met the cross-border investment and financing needs of customers pursuing global development, and launched a brand new "Cross-Border Safe Deposit Box" service solution for foreign-related guarantees. The Bank strengthened collaboration with overseas subsidiaries to accelerate the development of cross-border RMB financing business. The Bank supported enterprises in undertaking project contracts and construction in Belt and Road partner countries, and launched new export credit projects in Cameroon, Tanzania etc., to empower infrastructure construction in African countries, with the balance of export credit financing reaching RMB13.754 billion. The Bank upgraded the digital solution for foreign currency deposits, and increased the number of accounts, variety of currencies and length of terms. The Bank continued to enrich foreign currency wealth management products and enhanced sales services, providing customers with diverse choices in fund appreciation and preservation. With the focus on deepening the management of overseas bank channels, the Bank vigorously developed channels in the countries and regions engaging in the Belt and Road Initiative so as to build an international service network.

Transaction Banking Business

During the reporting period, the Bank made every effort to drive transaction banking business, with settlement and financing working in synergy to effectively meet customers' diversified financial needs. As at the end of the reporting period, the number of transaction banking customers of the Bank reached 1,289.8 thousand, up by 5.05% from the end of the previous year. During the reporting period, the transaction settlement amount reached RMB92.59 trillion, up by 9.65% year on year.

Upgrading the user experience with transaction settlement and enhancing the service capability of platform products. The Bank upgraded "Tianyuan Treasury 2.0" in performance and user experience, enhancing its multi-bank capability, with the banks having direct fund links numbering more than 160. Frequently used functions were rapidly iterated, and a professional version of the treasury for state-owned assets was launched, accumulating over 3,400 group customers, and serving more than 25 thousand member enterprises, with a transaction scale of more than RMB500 billion. "Easy Salary" was upgraded into the new brand "Xiaotianyuan", with nine scenario-based functions launched to meet enterprises' needs for one-stop digital and intelligent management of "business, finance, capital, and payment". During the reporting period, the number of newly registered enterprises on the "Xiaotianyuan" platform reached 28 thousand. An open regulatory model was introduced for the "regulatory payment" product, allowing supervisors to conduct supervision without opening accounts, with 4,425 regulatory items newly added and the scale of fund supervised exceeding RMB310.0 billion during the reporting period.

Deepening the ecosystem of chain-based financial services and building differentiated competitiveness for transaction financing. The Bank continued to refine supply chain products to deliver better online experience and further enriched business scenarios. The group version of the new asset pool was developed and launched. During the reporting period, the pledge pool recorded a cumulative financing amount of RMB443.546 billion, serving 6,056 financing customers; the number of active electronic bill customers in the management pool totaled 76.7 thousand. The domestic factoring business (excluding interbank re-factoring) was continuously optimized for better product experience, with over 14 thousand financing customers and cumulative financing exceeding RMB72.0 billion. The commercial bill guaranteed discounting business supported guarantee functions, with over 1,600 financing customers and cumulative financing exceeding RMB44.0 billion. For the domestic L/G business, the Bank enriched its offerings by introducing the "Credit Guarantee – Speedy Issuance", an automatic approval product, and launched the approval model for tariff scenarios, serving over 2,000 customers with the product in total. Leveraging supply chain service advantages, the Bank continued to enhance its business presence in the auto finance. As at the end of the reporting period, the number of cooperative customers in the auto finance business[26] reached 8,882, an increase of 5.47% from the end of the previous year; during the reporting period, RMB249.854 billion of loans were issued, with an overdue advance rate of 0.07%. The asset quality remained sound.

[26] The statistical scope covers the auto dealers cooperating with the Bank in auto finance and having financing balances at the end of the reporting period.

Asset Custody Business

During the reporting period, upholding the philosophy of "value-added custody", the Bank deepened business coordination within the Group, intensified the move of bringing assets generated from internal resources under custody, spared no efforts in the development of the asset management business, and deepened customer management, achieving steady development of the asset custody business. As at the end of the reporting period, the Group's assets under custody surpassed RMB17 trillion reaching RMB17.25 trillion and ranking sixth across the market[27]. During the reporting period, the Bank realized RMB1.900 billion of asset custody income, up by 5.61% year on year. The Bank was awarded the "Best Custodian Bank in China for Trust and Cross-Border Services" for its asset custody business by *The Asian Banker* in 2025.

Further deepening engagement in the major customer base of the asset management business. As at the end of the reporting period, the Bank's cross-border assets under custody amounted to RMB351.021 billion, an increase of RMB35.421 billion from the end of the previous year, ranking first among joint-stock banks in both total volume and increment[28]; the mutual funds under the Bank's custody recorded RMB2.69 trillion, an increase of RMB172.524 billion from the end of the previous year, ranking second among joint-stock banks in both total volume and increment; the scale of trust products under the Bank's custody reached RMB3.32 trillion, an increase of RMB380.379 billion from the end of the previous year, ranking second among joint-stock banks in both total volume and increment.

Actively tapping the potential of secondary customer base of corporate customers. By tapping the business needs of financial institutions and corporate customers in terms of funds, assets and transaction settlement, the Bank leveraged the functions and synergy of custody infrastructure, driving settlement deposits through custody accounts. During the reporting period, the average daily balance of demand deposits in custody accounts was RMB242.927 billion.

Vigorously advancing the "Five Priorities" of the financial sector and in-depth integrating them into the Bank's "Five Leading" strategy. First, the Bank pressed ahead with the building of a pension finance custody service system. As at the end of the reporting period, the scale of pension finance under custody reached RMB538.101 billion, an increase of RMB30.378 billion from the end of the previous year. Second, the Bank acquired technology enterprise customer through private equity fund custody, to promote the development of technology finance. Third, the Bank collaborated with overseas subsidiaries, and practiced the strategy of becoming a leading forex service bank. During the reporting period, the scale of overseas assets under custody reached HKD353.512 billion, and the total increment of cross-border custody and overseas custody scale in the first half of the year was equivalent to RMB76.6 billion.

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 shelf was continuously enriched**. Based on stable and low-volatility wealth products for corporate customers, such as currency, currency +, and pure bond products, the Bank actively explored characteristic products such as fixed income + preferred stocks and fixed income + broad-based index options, improved the cross-border wealth management service system, and completed fundraising for the first foreign currency asset management product for corporate customers. Meanwhile, the Bank effectively combined the fulfillment of social responsibilities with the development of corporate wealth management business, and stepped up efforts to promote the launch and sales of green wealth management products, products for enterprises with specialized, sophisticated techniques and unique, novel products, and charitable products. During the reporting period, the sales of the abovementioned products reached RMB2.566 billion, effectively contributing to the green and low-carbon transformation of society and the creation of diverse social values. **The brand and team building was steadily advanced.** The Bank held the first "Corporate Wealth Management Festival", during which the Bank sold more than RMB60.851 billion of products and served over 5,400 customers. As part of the festival, the online strategy meeting

27 Data from the Custodian Services Committee of the China Banking Association.

28 Data from the Custodian Services Committee of the China Banking Association.

attracted more than 40,000 views, and salons themed “Building the Road to Wealth Together” and “Approaching CITIC Wealth Management” were organized. Teams of corporate customer wealth management advisors were set up at sub-branches, and training on professional capabilities was strengthened, to comprehensively improve customer service quality. **Digital transformation was further deepened.** During the reporting period, the Bank completed the online signing of wealth management services and optimized the purchase experience on corporate online banking. Relying on the innovative online and intelligent service upgrade, the Bank provided customers with easily accessible and efficient wealth management services, with the online click-through rate up by 200%.

As at the end of the reporting period, the Bank’s wealth management business recorded 32.4 thousand corporate customers, an increase of 639 from the end of the previous year; the scale of corporate wealth management of the Bank was RMB254.052 billion[29], an increase of 18.02% from the end of the previous year, of which collaborated agency sales registered RMB54.990 billion.

2.8.1.3 Risk Management

For the corporate banking business, the Bank stayed committed to serving the real economy and people’s livelihood. Guided by the goals of advancing the “Five Priorities” of the financial sector and building itself into a “Five Leading” bank, the Bank continuously improved the efficiency of credit resource allocation, and ensured effective risk management in key areas.

In terms of customers, the Bank upheld the customer-first philosophy and strengthened stratified and classified customer management. With value creation at the core, the Bank tapped and raised the comprehensive contributions of major customers to the Bank in terms of quantity, pricing, quality, customer, and efficiency. The Bank vigorously expanded micro, small and medium-sized customer groups, increasing the number of small and medium-sized credit customers, optimizing customer structures and maximizing the comprehensive values of major customers. The Bank in-depth engaged with government and institutional customers to enhance the core competitiveness of its government finance brand. The Bank closely followed national policy orientations and global industrial trends, and advanced the building of the offshore customer base. Additionally, the Bank enhanced financial support for private enterprises, to empower the development of the private economy.

In terms of regions, the Bank implemented the coordinated regional development strategy. Guided by the coordinated development of the Beijing-Tianjin-Hebei region, the development of the Guangdong-Hong Kong-Macao Greater Bay Area, the integrated development in the Yangtze River Delta and the construction of the Chengdu-Chongqing economic circle, and leveraging the development of the Yangtze Economic Belt, the ecological protection and high-quality development of the Yellow River basin, large-scale development of the country’s western regions, full revitalization of northeast China, rise of central China and modernization of eastern China, the Bank coordinated the development of four regions, namely west, northeast, central and east China, supported economically strong provinces in playing a pivotal role in driving economic growth, actively engaged in high-standard opening up and the Belt and Road Initiative, and drove the faster formation of a regionally complementary economic landscape.

In terms of industries, guided by the national policy orientation, the Bank effectively strengthened credit support for the country’s major strategies, key areas and weak links, and continued to increase credit support for key areas such as strategic emerging industries, the manufacturing sector, green credit, sci-tech innovation and rural revitalization. It vigorously supported the building of a modern industrial system, drove the healthy and orderly development of new quality productive forces in light of local conditions, continued to promote “Two Renewals” (the renewal of large-scale equipment and trade-in of consumer goods), and facilitated consumption of services related to culture, tourism, elderly care, etc. The Bank actively supported the construction of infrastructure such as transportation, water conservancy, energy, new urbanization, high-standard farmland, underground pipeline, data centers and 5G. Furthermore, it provided support and services for transportation and logistics, and served food and energy security, strategic resources, ecology preservation and national defense.

[29] During the reporting period, the scale of corporate wealth management of the Bank was calculated according to balance and the base number of the period beginning was adjusted accordingly.

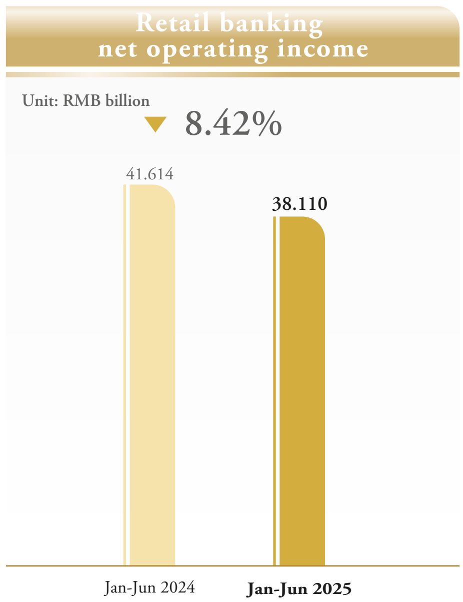
In terms of businesses, the Bank took an innovation-driven and forward-looking approach and effectively advanced the "Five Priorities" of the financial sector. The Bank enhanced the efforts to develop characteristic technology finance services, and, with the comprehensive financial services throughout the lifecycle, explored the path to the sustainable development of technology finance. The Bank tapped the opportunities associated with green and low-carbon development, further strengthened support for green finance, and vigorously promoted energy conservation, carbon reduction, pollution control and green development in key areas and industries. The Bank deepened the high-quality development of inclusive finance, and consolidated the business foundation and the risk control mechanism for quality scenarios, assets and customer groups related to risk mitigation, supply chains, etc. The Bank conducted an in-depth study on the financial demands of an ageing society and gave play to the Group's advantage in synergy to improve the pension finance service system. With a deep insight into the development trend of digital economy, the Bank preemptively expanded presence in the key areas of digital finance to enhance data-driven and intelligent empowerment in customer services.

As at the end of the reporting period, the balance of corporate loans (excluding discounted bills) of the Bank posted RMB2,993.044 billion, an increase of RMB313.377 billion from the end of the previous year, and the NPL ratio was 1.09%, down by 0.10 percentage point 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 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 net operating income of RMB38.110 billion, down by 8.42% year on year, accounting for 39.40% of the net operating income of the Bank. Net non-interest income from retail banking was RMB9.125 billion, down by 18.22% year on year, accounting for 30.73% of the net non-interest income of the Bank, of which net non-interest income from credit card business was RMB5.389 billion, accounting for 18.15% 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 management, and continuously advanced the retail management system, to promote constant growth in the scale of retail customers.

In terms of stratified management of customers, the Bank continuously reinforced the stratified management system for retail customers, optimized differentiated post assessment, strengthened empowerment with digital tools and professional business capabilities, and enhanced stratified customer services to realize the chain-like customer upgrade mechanism from ordinary basic customers, wealthy customers, VIP customers to private banking customers. As at the end of the reporting period, the Bank had 149 million personal customers, up by 2.30% from the end of the previous year.

For ordinary basic customers[30], the Bank expanded the coverage of customer management through the model characterized by the collaboration between the Head Office and branches. The Head Office adopted an intensive management model, leveraging mobile banking, WeCom, and outbound calls, among other means to conduct large-scale, stratified and grouped management. The branches carried out refined management through offline account servicing. During the reporting period, 623.1 thousand ordinary basic customers were upgraded to wealthy customers or above, up by 2.86% year on year.

[30] Ordinary basic customers refer to individual customers whose average daily balance of AUM per month is less than RMB50,000.

For wealthy customers and VIP customers[31], based on the stratified management system, the Bank adopted a differentiated strategy of expanding the base of wealthy customers while deepening the engagement with VIP customers with the aim to drive the transition of wealthy and VIP customer management to comprehensive product services and deepen management within each customer segment. Meanwhile, the Bank accelerated the enhancement of three key capabilities, i.e., chain-like upgrade of customers based on proactive marketing, configuration of five core products based on customer insight, and advisory services based on and driven by investment research, so as to continuously improve the customer service experience. As at the end of the reporting period, the Bank had 4,767.8 thousand wealthy customers and VIP customers, up by 3.91% from the end of the previous year. During the reporting period, 12.0 thousand VIP customers were upgraded into private banking customers, up by 13.90% year on year; 158.2 thousand wealthy customers were upgraded into VIP customers or above, up by 4.84% year on year.

For private banking customers[32], the Bank adhered to resources integration and team collaboration, expanded the customer acquisition capacity of key channels, and drove the diversified allocation of customers' assets with a value-oriented approach. During the reporting period, the professional management capability and customer service level were both improved with remarkable results achieved in customer management. As at the end of the reporting period, the number of private banking customers recorded 92.1 thousand, up by 9.57% from the end of the previous year; the monthly average daily AUM balance of the Bank's private banking customers reached RMB1.28 trillion, up by 9.33% from the end of the previous year.

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

In terms of management of pension customers, the Bank continued to upgrade the "Happiness +" pension finance service system, to meet the pension needs of customers of varying ages and at different stages. For customers preparing for pension plans, the Bank upgraded the "Happiness + Pension Account Book", launched the "retirement age" and "pension investment" calculators, and tailored pension plans for customers. For pre-retirement customers, the Bank innovatively launched the four-pronged trust pension service integrating banking, insurance, trust and industry, and organized 100 "CITIC Wealth Season" salons, to help customers reasonably plan for retirement income. For elderly customers, the Bank deepened strategic cooperation with the elderly's associations, initiated the "Leading Reader" program, and launched video courses on financial knowledge, building models for elderly-friendly financial education to enrich their retirement life. As at the end of the reporting period, the number of the Bank's middle-aged customers preparing for pension plans and elderly customers exceeded 100 million[33], up by 5.14% from the end of the previous year.

In terms of management of going abroad finance customers, the Bank continued to forge its brand as the "preferred choice for both outbound and inbound visitors". During the reporting period, the Bank further strengthened ecosystem cooperation, deepened partnership with embassies of foreign countries in China, tourism bureaus, and international card organizations, and upgraded differentiated services of going abroad finance, to meet diversified customer demands. In particular, the Bank issued the first Mastercard debit card in RMB and multiple foreign currencies, with upgraded functions such as multi-currency polling and automatic forex purchase with RMB. The Mastercard debit card, combined with the whole-journey going abroad finance service system, provided customers with comprehensive and multi-leveled cross-border financial solutions. As at the end of the reporting period, the Bank had a total of 13,021.2 thousand going abroad customers, up by 5.12% from the end of the previous year.

31 Wealthy customers refer to individual customers whose average daily balance of AUM per month is no less than RMB50,000 but less than RMB500,000; VIP customers refer to individual customers whose average daily balance of AUM per month is no less than RMB500,000 but less than RMB6,000,000.

32 VIP customers refer to customers whose average daily balance of AUM per month reaches RMB6 million or more.

33 Middle-aged customers preparing for pension plans refers to retail customers aged from 35 (inclusive) to 55 (exclusive); elderly customers refers to retail customers aged 55 and above.

In terms of management of Generation Z[34] customers, the Bank further advanced the building of the service system exclusive to Generation Z customers. Centering on three core demands, including wealth management, scenario-based consumption, and social interactions, the Bank further refined the product matrix and service system, and deepened engagement with young customers, to improve their experience with the Bank's services. During the reporting period, the Bank continued to optimize the "Latte Plan", a regular investment wealth management product, to help young customers effectively build wealth. Based on young users' preferences, the Bank further deepened cooperation with IPs, and issued several popular co-branded cards in partnership with popular games. Focusing on the consumption scenarios such as shopping, travelling, entertainment and food, the Bank developed multiple "Yanka" (good-looking card) series card products. The Bank continuously strengthened the building of new media channels, enabling active presence through its official account "CITIC Youth" on BiliBili and Xiaohongshu, and enhancing its brand influence among young customers through the output of quality contents. As at the end of the reporting period, the Bank's Generation Z customers amounted to 45,048.6 thousand, and more than 15.7148 million "Yanka" credit cards were issued; during the reporting period, the total transaction amount reached RMB169.428 billion.

2.8.2.2 Businesses and Products

Wealth Management Business

During the reporting period, the Bank upheld the value of being customer-centric, and strengthened the investment research-driven approach. Focusing on customer demands and market analysis, it continuously improved the wealth management product system, provided forward-looking and effective supply, enhanced customer profit experience, and promoted high-quality development of wealth management business.

First, the Bank implemented the approach of market-oriented product selection, professional investment research and science-based assessment, and enhanced the capabilities of selecting products from the whole market to provide customers with quality products in the light of market cycle.

In terms of retail wealth management business, the Bank further advanced the transformation towards net asset value (NAV) business, strengthened the investment research-driven approach and professional capacity building for teams, and intensified agency sales cooperation with leading wealth management companies, enhancing the capability to select optimal products for customers, while enhancing scenario-based customer management through online operations to boost customer investment experience. As at the end of the reporting period, the balance of the Bank's retail wealth management products exceeded RMB1.45 trillion, an increase of 4.11% from the end of the previous year.

In terms of fund business, the Bank followed market changes and customer demands, kept enriching the supply of fund products, provided customers with a variety of asset allocation solutions, such as pure bond strategy, fixed income + strategy, index strategy, and proactive equity strategy, built product lines themed "stable profits", "steady progress" and "leading the trend", and optimized the structure of customer asset allocation, to deliver rewarding financial experience for customers. As at the end of the reporting period, the agency sales of mutual funds held by the Bank reached RMB154.494 billion. In active response to the *Action Plan for Promoting the High-Quality Development of Mutual Funds*, the Bank participated in the customization and issuance of the first batch of floating-rate products, and customized the China Southern Ruixiang Hybrid Fund jointly with Southern Asset Management, raising more than RMB1.1 billion in total.

In terms of insurance business, the Bank further diversified pension finance-related insurance products it distributed through agency sales, and adhered to value transformation to increase the proportion of products providing long-term protection. During the reporting period, the agency sales of insurance business posted RMB16.264 billion, in which the sales of products providing long-term protection represented 64% of the total, an improvement for the sixth consecutive year, indicating continuous optimization of the business structure.

34 Refers to the generation born between 1995 and 2009. Also referred to as the "internet-born generation" or the "internet generation".

In terms of personal deposits, for time deposits, the Bank continued to optimize the product line and better meet customers' need for deposit products. It refined time deposit products with lump-sum deposit and withdrawal, which offered convenient services such as scheduled and fixed-amount purchase and integrated inquiries of deposit holdings, improve customer product experience. For personal settlement deposits, the Bank further enhanced the growth system led by "Five Expertise and Six Dimensions" to further strengthen the interaction between loan and deposit services, enhance digital operation, and promote the improvement of the liability structure.

Second, the Bank precisely supported national strategic needs, and enriched product supply centering on the "Five Priorities" of the financial sector.

During the reporting period, the Bank collaborated with leading wealth management companies and sold green and ESG-themed wealth management products as an agent, to support the healthy and sustainable development of the real economy. As at the end of the reporting period, the Bank recorded 6 green and ESG-themed wealth management products in existence, with the outstanding AUM exceeding RMB5.0 billion. The Bank upheld the philosophy of "finance for good", and continued to advance the agency sales of inclusive finance and charitable series of wealth management products. As at the end of the reporting period, there were 10 charitable wealth management products themed "Caring for Children" in existence, with the outstanding AUM exceeding RMB7.0 billion. The Bank launched and sold as an agent 95 green and environmental protection themed mutual funds from domestically leading fund companies, recording a total scale of RMB873 million and covering nearly 30 thousand customers. The Bank vigorously launched technology-themed fund products, and successfully customized an SSE Science and Technology Innovation Board 50 Index fund jointly with Fullgoal Fund, raising nearly RMB300 million in total.

Third, the Bank continued to enhance the investment research system, built a sale capability system, and strengthened product allocation.

The Bank kept abreast of market changes, continuously delivered investment research perspectives, polished allocation methods, enhanced the team's sensitivity to market changes and attention to customer experience, organized and carried out activities such as "10,000-Mile Tour", and strengthened salespersons' basic capabilities and allocation skills. The Bank continued to refine the sales methodology and optimize the insurance process, upgraded the training and honor system, and improve allocation efficiency.

Fourth, being customer-centric, the Bank leveraged frontier AI technology empowerment to boost the quality and efficiency of services, achieving significant advancement in the intelligent level of financial services.

During the reporting period, the Bank vigorously built "Xiao Xin 3.0", using cutting-edge AI technologies such as large models and Agent (intelligent agents) to carry out a full-stack upgrading of "Xiao Xin", a digital wealth advisor, boosting the quality and efficiency of wealth advisory services. Targeting employees, it provided frontline wealth managers with services such as intelligent customer demand mining, intelligent conversation, intelligent asset allocation, and intelligent evaluation and tracking, helping realize intelligent management before, during and after sales. Leveraging big model to improve the precision in understanding the investment consulting intention of customer. As at the end of the reporting period, "Xiao Xin" served a total of 5,780 thousand customers, with an overall satisfaction rate exceeding 95%.

Personal Loan Business

The Bank advanced the "Retail First Strategy" with high quality and adhered to the business positioning of "value personal loan". It drove the balanced development of three major products, i.e., personal housing loan, personal operation loan and personal consumption loan, in an orderly manner, supported the development of the real economy and the private sector, and boosted household consumption upgrading. As at the end of the reporting period, the balance of personal loans (excluding credit card loans) was RMB1,830.374 billion, up by RMB14.962 billion or 0.82% from the end of the previous year.

In terms of personal housing loans, the Bank actively implemented the country's policies on real estate regulation, vigorously built a work mechanism for internal coordination, strengthened cooperation through key channels, continued to optimize and upgrade 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 mortgage loans was RMB1071.017 billion, an increase of RMB38.436 billion or 3.72% 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 retain quality customers, refined policies and processes for personal inclusive products, and enhanced the availability and accessibility of services for micro and small-sized businesses. As at the end of the reporting period, the balance of personal inclusive loans was RMB418.724 billion, representing an increase of RMB7.074 billion or 1.72% 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"[35]. 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 develop 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 RMB272.056 billion.

Credit Card Business

The Bank's credit card business built a quality scenario ecosystem centering around the five high-frequency consumption areas related to people's livelihood, i.e., food, housing, transport, entertainment, and shopping, while deepening the precise alignment of "consumer needs, product offerings, and consumption scenarios". It further 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 senses of gain, happiness and security.

During the reporting period, the Bank **focused on scenario-based high-quality customer acquisition**. Centering around the theme of "Channel Building Year", it expanded the coverage of scenarios, strengthened the conversion of effective scenarios, continued to drive the dual interaction of debit cards and credit cards, and deepened the overall layout of corporate outreach programs and scenario-based referrals across the Bank. During the reporting period, the proportion of quality customers among customers of newly issued credit cards reached 55.48%, up by 10.79 percentage points year on year. **The Bank continued to improve the product matrix**. It launched "Entertainment Card" and "GOOD Card" for core consumption scenarios to meet demands for culture, entertainment, and food, upgraded the benefits of "GO Card", "PASS Card", "Love Travel Card", and "Mastercard i Platinum Credit Card", among other products, to cover more rigid demand scenarios such as shopping, travelling, and cross-border activities. **The Bank continuously strengthened scenario-based ecosystem building**. It continued to carry out the "99365"[36] brand campaign, and deepened the ecosystem building in business districts and merchant scenarios by combining a mix of marketing instruments including coupons and discounts for a certain amount of payment. As at the end of the reporting period, the Bank established partnerships with over 7,200 merchant brands, covering more than 400 thousand stores and engaging 8,430 thousand customers in campaigns. The Bank **strengthened the allocation of quality interest-earning assets**. It optimized the structure of installment business, focused on the management of leading quality customer groups, and boosted value conversions of quality customer groups through quota and pricing, among other special strategies. The Bank delved deeper into scenarios related to people's livelihood, i.e., food, housing, transport, entertainment, and shopping, enhanced "head-to-head" cooperation with leading enterprises and top internet platforms, and enhanced the increment of quality interest-generating business. The Bank leveraged trending topics for marketing, further launched diversified installment marketing campaigns to address various consumer finance demands of credit card customers. **The Bank accelerated the application of innovative technology**. It empowered customer management through large-scale AI application, upgraded the AI capability center, and implemented 26 large models and 44 business application cases. The coach robot newly empowered over 2,000 telemarketing agents, and the voice cloning technology supported 3,800 AI outbound calls. The Bank accelerated the pre-research and expanded application of innovative technologies. It achieved the industry's first application of quantum computing technology to optimize big data machine learning models, which has been implemented in customer service inbound call scenarios for recommendation and marketing of installment product. "Lu Xiao Xin", the Bank's self-developed digital assistant, was introduced in the Mobile Card Space APP to build brand new customer experience with multiple models. Large models such as DeepSeek and intelligent agents were put into operation in more than 20 scenarios, helping improve the efficiency of business operations.

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

[36] Refers to the "RMB9 Movie Ticket Privilege", "RMB0.09 Exchange Privilege" and "Wonderful 365".

As at the end of the reporting period, the Bank issued cumulatively 126 million credit cards, an increase of 2.12% from the end of the previous year. The balance of credit card loans was RMB458.455 billion. During the reporting period, the transaction volume via credit cards recorded RMB1,085.412 billion, down by 12.54% year on year, and the income from credit card business was RMB24.486 billion, down by 14.61% year on year.

Private Banking Business

The Bank closely aligned its private banking business with national policy orientation and the requirement for high-quality development, focused on the "Five Priorities" of the financial sector, and worked to build itself into a "leading wealth management bank". By enhancing systematic capability, upgrading collaboration capability, nurturing professional capability and building digital capability, the Bank comprehensively deepened the professional operation capability and customer service capability of private banking business.

Strengthening tiered management and improving the quality and efficiency of chain-based conversion of customers. The Bank upgraded the tiered management system for private banking customers centering on account attribution, intensive management, and full-chain advancement, driving capacity improvement through system optimization. The Bank enhanced tiered services for private banking customers, launching the "Xin Yi Xiang" service brand exclusive to ultra-high net-worth customers to refine services for high-value customers. As at the end of the reporting period, the retention rate of private banking customers increased by 1.50% year on year, the number of ultra-high net-worth customers[37] grew by 40.96% year on year, and the coverage rate of intensive management of private banking customers rose by 7.57 percentage points from the beginning of the year.

Accelerating synergistic management and improving the quality and efficiency of integrated customer acquisition. During the reporting period, the Bank continued to advance the integration of resources, teams and channels. Relying on the brand "Cloud Enterprise Forum", the Bank upgraded the service system for entrepreneur customers, consolidated the model of customer acquisition through the integration of corporate and private banking businesses, strengthened the mutual promotion and conversion mechanism, expanded the coverage of services for sci-tech innovation enterprises, and improved the comprehensive services for private entrepreneurs as well as their families and enterprises, driving a 20.79% year-on-year increase in two-way customer acquisition between corporate and private banking businesses. With enriched service content and channels, the going abroad finance product "Junior Trip" efficiently met customers' needs for children's education. Leveraging the Bank's high-end credit card products, the dual interaction of debit cards and credit cards, based on high-end scenarios and exclusive product policies, effectively attracted high-value customers, driving a 21.96% year-on-year increase in the number of private banking customers.

Highlighting value-oriented operations and improving the quality and efficiency of asset allocation. During the reporting period, the Bank continued to practice the asset allocation strategies. Based on customers' differentiated and diversified needs, the Bank created value through professionalism and strengthened customer companionship through dedicated services. Focusing on the closed loop of "financial + legal + inter-generational" services, the Bank reinforced the advantages of inheritance business with family trust at the core, providing integrated family wealth inheritance solutions for ultra-high net-worth customers. Charitable trust was expanded into areas such as elderly care, poverty alleviation, and inheritance of traditional culture, harnessing wealth for good and creating social values. As at the end of the reporting period, the compliance rate of asset allocation for private banking customers increased by 1.91% from the end of last year.

Focusing on digital operation and improving the quality and efficiency of channel empowerment. During the reporting period, the Bank comprehensively upgraded the digital operation strategy system, which covered the core scenarios of private banking customer management, built integrated service strategies based on the philosophy of asset allocation from customers' perspective. The Bank strengthened online operation of mobile banking, upgraded the service process for private banking agency sales and featured single products, and launched a special zone for private banking asset allocation services, with the customer activity recorded by the private banking premium version of mobile banking and the share of core products traded online steadily improving. During the reporting period, the monthly active users (MAU) of mobile banking among private banking customers increased by 15.10% year on year.

[37] Refers to customers with the monthly average daily balance of AUM totaling RMB50 million or above.

Pension Finance Business

Special Column **Pension Finance**

During the reporting period, the Bank made continued efforts to promote pension finance. Relying on the Group synergy and collaboration across the Bank, it steadily advanced the implementation of the *Special Action Plan of China CITIC Bank for Promoting the Development of Pension Finance*, and constantly optimized the "Happiness +" pension finance service system, to provide integrated pension finance service solutions for residents, enterprises, and the elderly care industry, and support the high-quality development of the silver economy.

Strengthening the supporting measures for the pension system. The Bank continued to optimize the supporting financial services for the first pillar of pension, with the number of social security card issuing regions above the prefecture level exceeding 70, and the issuances of social security cards continuously growing. The Bank deepened the management of annuity customers, with the scale of pension finance custody totaling RMB538.101 billion, of which the scale of annuity custody exceeded RMB500.0 billion. The Bank upgraded the functions of the private pension system, improved customer experience of "account opening, deposit, allocation, and withdrawal", optimized the "Well-Selected" private pension product shelf, offered suggestions on the allocation of deposited funds, and provided the "Enjoy the Future" pension tax refund services at enterprises, to help customers continuously increase pension reserve. As at the end of the reporting period, the Bank had 2,578.5 thousand private pension accounts, up by 17.83% from the end of the previous year.

Creating innovative pension finance products and services. Relying on the Group's resources, the Bank deepened finance-finance and industry-finance synergy, and collaborated with CITIC Trust, CITIC-Prudential Life Insurance, CITIC Aged Care, and CITIC Wealth Management to launch a "bank + insurance + trust + industry" four-pronged trust-based pension services, deeply integrating insurance protection, trust structure and pension services, and providing customers with one-stop integrated pension solutions covering asset management, wealth inheritance, and pension consumption. Meanwhile, the Bank further upgraded the "Pension Account Book 3.0", innovatively launched the "Happiness Points" value growth system for pension customers and the "Travel-based Pension Services" section, and continuously upgraded the digital and intelligent pension service platform, to build a user-friendly "pension account book".

Special Column **Pension Finance**

Strengthening financial support for elderly customers. The Bank deepened strategic cooperation with elderly's associations of China, and collaborated with Hualing Press to launch the elderly "Age Readers" program. It successively set up "Senior Bookshelves" at the "Happiness +" elderly-friendly outlets and held the "Senior Reading Clubs", to enrich the retired life of elderly customers. It continued to popularize financial knowledge, and, in collaboration with the China Association of the Universities for the Aged and Central University of Finance and Economics, launched systematic finance-themed video courses for the elderly via the online university for seniors platform, focusing on common financial scenarios such as family financial planning, wealth inheritance, and fraud prevention, to help the elderly enhance their financial literacy and strengthen their risk prevention capabilities.

Making great efforts in the institutional building for the elderly care industry. Following the national policy orientation and improving the top-level design, the Bank formulated the financial work plan for the elderly care industry and the loan statistics management measures, and built systems for external information exchange, financial index standardization, and customer group marketing. It actively provided services for elderly care institutions, and obtained the pre-charge supervision qualification for elderly care institutions in 12 prefecture-level cities in 4 provinces during the reporting period. Leveraging CITIC Group's "finance + industry" platform and guided by professional industry research, the Bank, with the focus on key scenarios such as smart elderly care, technology-enabled elderly care, integration of healthcare and elderly care, and health and wellness tourism, advanced the "Co-building the Future through Pension Finance" campaign to empower the high-quality development of the pension industry across the Bank, and built a new model of "pension industry + pension wealth management services".

2.8.2.3 Risk Management

Risk Management of Personal Loans

The Bank continued to advance the improvement of its risk control capabilities for personal loans, strove to promote the digital transformation of personal loan business, implemented the joint prevention and control mechanism, optimized portfolio management and whole-process management, and strengthened the integration of business, technology and data, to empower the high-quality development of personal loan business. In terms of controlling new risks, it continuously strengthened proactive risk management for personal loans, exercising control at the source through risk policies, customer structure, and early overdue rates, among other indicators. In terms of existing business management, it enhanced the management of loans approaching maturity, and facilitated the retention of high-quality existing customers and the proactive exit of risky customers. It concentrated resources to increase collection efforts, prevented the downgrade of asset quality, and advanced asset disposal in an orderly manner.

In terms of housing mortgage loans, the Bank strengthened the access and management of cooperative channels, consolidated the joint prevention and control mechanism between business and risk lines, and strictly prevented systemic risks and fraud risks. For single loans, it made good use of application scorecards to actively conduct customer selection and risk control to strengthen the review of transaction authenticity. **In terms of personal business loans,** it actively implemented the relevant requirements of the state and regulatory authorities on financial support for the development of the real economy, increased differentiated policy support in light of local conditions, strengthened access risk control at branches, and continuously raised the proportion of high-quality customer groups with medium and high scores. 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,** it refined digital risk control capabilities, continuously deepened differentiated approval strategies from the dimensions of customer groups, regions, and channels, and specially strengthened the control over high-risk customer groups, regions, and channels. It made in-depth use of internal and external data and continuously optimized anti-fraud strategies. It consolidated the whole-chain management of "data, strategies, monitoring, and iteration" by upgrading the functions of the intelligent credit risk control platform.

As at the end of the reporting period, the Bank's balance of personal non-performing loans (excluding credit card loans) recorded RMB17.525 billion, an increase of RMB335 million from the end of the previous year. The NPL ratio was 0.96%, up by 0.01 percentage point from the end of the previous year.

Risk Management of Credit Card Business

The Bank is committed to building digital risk control capabilities covering full processes, and took solid efforts to establish risk prevention and control boundaries. **First,** the Bank implemented targeted measures to tighten entry thresholds, and adhered to balanced development. From a perspective of navigating the cycle, it continuously optimized the four-dimensional risk control strategy covering "regions, industries, scenarios, and customers", and proactively improved the structure of new customer groups. During the reporting period, high-quality customers accounted for 55.48% of the customers of newly issued cards, a year-on-year increase of 10.79 percentage points. Second, the Bank optimized and iterated credit strategies, precisely allocated credit resources, and continuously refined the loan structure. As at the end of the reporting period, the performing loans held by high-quality customers of lower risks accounted for 76.19%[38] of the total loans, a year-on-year increase of 6.48 percentage points. **Third,** it strengthened risk management and governance during the loan servicing stage, shifting risk prevention and control forward from the post-lending stage to the during- and pre-lending stages. It has always guarded against risks, strengthened the management and control of fund use and the prevention of fraud risks, promoted joint prevention and control of work related to gambling and fraud to facilitate the healthy development of credit card business. **Fourth,** it continuously enhanced collection capabilities, and actively expanded non-performing asset disposal channels, to reduce non-performing assets, and maintain stable asset quality.

As at the end of the reporting period, the Bank recorded RMB12.516 billion in the balance of non-performing credit card loans, an increase of RMB279 million from the end of the previous year. The NPL ratio was 2.73%, up by 0.22 percentage points from the end of the previous year.

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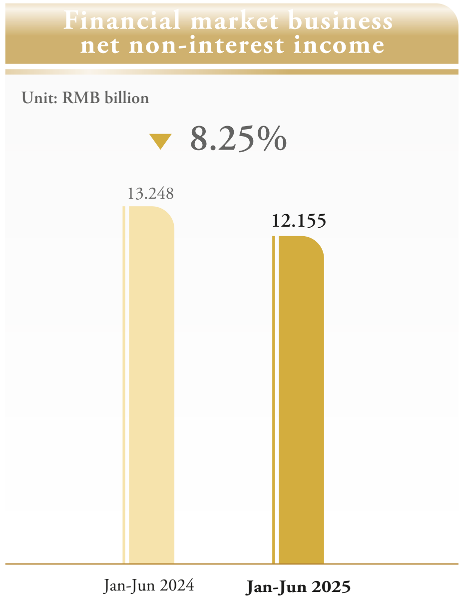
[38] Refers to the share of to performing loan principal held by high-quality customers of lower risks to the total principal of credit card performing loan principal.

2.8.3 Financial Markets Business

Facing the complex and changing economic and financial environments at home and abroad, the financial markets business of the Bank, based on the underlying logic of macro environment and market changes, focused on capability and institutional improvements and efficiency and quality enhancement, made all-out efforts to ensure the implementation of reform, continuously unlocked the momentum of transformation and integration, and actively moved away from pro-cyclicality toward neutral cyclicality and even counter-cyclicality. On the basis of closely following national policies and effectively fulfilling its mission of serving real economy with financial services, the financial markets business, relying on the parallel operations of "proprietary business and agency business", refined the "balance sheets for proprietary asset management", gave play to investment trading capabilities, to contribute to the Bank's overall profits. It expanded the "sales trading flow balance sheet", extended investment trading capabilities, and made solid progress in the in-depth, integrated management of interbank customers.



During the reporting period, the Bank's financial markets business registered a net operating income of RMB12.558 billion, a 10.16% decline year-on-year, accounting for 12.98% of the Bank's net operating income. Specifically, the net non-interest income from financial markets business totaled RMB12.155 billion, down by 8.25% year on year, accounting for 40.94% of the Bank's net non-interest income.

2.8.3.1 Customer Management

The Bank continuously deepened integrated management of interbank customers. Taking a customer-centric approach, the Bank accelerated the transition towards the "product + service" model, made breakthroughs in key areas such as settlement, agency sales, and cross-border businesses, bolstered the system of collaboration between the Head Office and branches, built a new ecosystem for customer group cooperation.

During the reporting period, relying on the "Financial Interbank +" platform, the Bank focused on the needs of financial institutions for investment and trading, liquidity management, customer acquisition across various channels, payment and settlement, and professional consulting services, etc., and worked to build four characteristic modules, namely "CITIC Flagship Store, Bond Ecosystem, AI Intelligence, and Cross-border Services". It comprehensively deepened the business operation and management processes, systematically integrated the product support system, dynamically optimized price and supply strategies, and moved faster to advance the full-process digital transformation. As at the end of the reporting period, the "Financial Interbank +" platform had 3,102 signed customers, an increase of 80 from the end of the previous year. During the reporting period, the total transaction volume via the platform reached RMB1.24 trillion, up by 16.87% year on year.

2.8.3.2 Businesses and Products

Forex Business

The forex business of the Bank consistently implemented its mission of serving the real economy through finance, centered on enhancing the capacity of managing exchange rate risks for enterprises, and tailored exchange rate risk management solutions for enterprises through a complete and specialized matrix of forex trading products and customized risk aversion strategies. Actively responding to the nation's strategy for high-standard, two-way financial opening up, the Bank vigorously established a comprehensive service system for cross-border institutional investors, providing one-stop financial solutions including forex services. During the reporting period, the Bank provided cross-border institutional investors with forex trading services worth USD114.140 billion, up by 22.20% year on year. The Bank actively fulfilled its responsibilities as a market maker and the leading bank of the expert team for standardization of trading on the interbank forex market, providing the liquidity of all forex products for market entities, participating in the improvement of the RMB exchange rate formation mechanism, and facilitating the high-quality development of the forex market. During the reporting period, the Bank recorded a forex market-making trading volume of USD2.08 trillion, remaining at the forefront of the market.

Bond Business

Based on its functions and positioning, the bond business of the Bank vigorously fulfilled its mission of supporting the real economy, effectively boosted the quality and efficiency of serving national strategies, and fulfilled the Bank's responsibilities as a state-owned financial enterprise. It provided strong support to investment in themed bonds such as sci-tech innovation, rural revitalization, micro and small-sized enterprises, and green finance bonds, and guided bond investment funds to flow into the "Five Priorities" of the financial sector. Focusing on creating new business models, the Bank developed characteristic and innovative products such as the bond basket and spread trading, precisely meeting the diversified demands of investors at home and abroad for bond investment. During the reporting period, the Bank launched the market's first high-grade financial sci-tech innovation bond basket, facilitated the building of the "technology board" of the bond market, and continued to provide the liquidity and pricing benchmark for the secondary market of sci-tech innovation bonds. The Bank actively served the construction of the standardized interest rate derivatives market, and regularly carried out bilateral quoting and trading, continuously enhancing market activity and liquidity. During the two-way financial opening process, the Bank comprehensively implemented the country's strategic plans, enhanced the development of the "Northbound Stock Connect" business, steadily expanded the layout of the "Southbound Stock Connect" business, vigorously advanced the innovation and upgrading of "Swap Connect" products, and successfully launched the first 30-year Swaps Trading in Northbound Swap Connect in the market, injecting new impetus into the cross-border connectivity across the bond market. The Bank achieved a breakthrough in the over-the-counter trading of sci-tech innovation bonds, delved deeper into the financial institution over-the-counter bond market, and promoted the development of a multi-tiered bond market. Through refined rolling asset management, the Bank continued to optimize the investment and trading strategies, further explored various investment and trading opportunities across markets and varieties, and effectively increased excess earnings. During the reporting period, the trading volume of bonds and interest rate derivatives of the Bank recorded RMB5.76 trillion, up by 8.88% year on year.

Money Market Business

By conducting bond repurchase in both local and foreign currencies, interbank lending, interbank certificates of deposit issue, etc., the money market business of the Bank earnestly fulfilled the Bank's responsibilities as a primary dealer in open market operations, and vigorously supported the short-term financing needs of various types of financial institutions including small and medium-sized commercial banks, securities companies, and financial companies. Meanwhile, it actively participated in the innovative development of trading mechanisms and products in China's interbank money market, and launched the first batch of foreign currency repurchase transactions in the market with RMB-denominated China Development Bank sci-tech innovation bonds as the collateral, effectively enhancing the liquidity and trading activity of sci-tech innovation bonds in the interbank RMB and foreign currency markets, and further enhancing the efficiency of financial services in supporting sci-tech innovation. During the reporting period, the total trading volume of the money market business of the Bank reached RMB14.07 trillion.

Precious Metals Business

Based on serving the real economy, the precious metals business of the Bank vigorously carried out customer and trading business, and continuously enhanced the serving and trading capabilities in the precious metals market. The Bank provided strong support for enterprises across the precious metals industrial chain, offering customers with leasing, trading and value preservation services. The Bank further enriched the strategies for precious metals trading, supported gold import business, and comprehensively enhanced the returns of the precious metals business by tapping opportunities across markets and varieties through intelligent means. During the reporting period, the corporate gold leasing business recorded RMB8.363 billion, and the trading volume of quote-driven transactions in the interbank precious metals market reached RMB368.546 billion.

Bill Business

The bill business of the Bank enhanced its service to real economy. During the reporting period, it handled RMB565.687 billion of discounted bills and served a total of 12,282 corporate customers, of which, 9,086 or 73.98% were small and micro-sized enterprises, up by 2.82 percentage points year on year. The scale of bill rediscounting was RMB60.726 billion, and the rediscounting balance was RMB31.018 billion, continuously providing low-cost financing channel for the real economy. As at the end of the reporting period, the balance of bill assets of the Bank stood at RMB224.369 billion.

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 leveraged the advantages of synergy within the Group, collaboration between the parent bank and subsidiaries, and 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 strove to build itself into a world-class asset management institution.

CITIC Wealth Management adhered to a customer-centric approach, and was committed to advancing the "multi-asset and multi-strategy portfolio investment" and "investment advisory service model" as its second growth curve. While playing its role as a major provider of fixed-income products, it strove to become an important supplier of products with equities, offering investors wealth management services throughout the lifecycle, to comprehensively enhance customers' sense of gain and happiness. During the reporting period, **it continued to refine its product system,** and actively built a product structure characterized by "strengthening both ends, promoting the middle, and enhancing equities"[39]. It intensified the layout of medium- and long-term products, accelerated the deployment of products with equities. As at the end of the reporting period, the outstanding scale of wealth management products with a term of one year or more reached RMB729.903 billion, increasing by RMB64.518 billion from the end of the previous year, and accounting for 34.64% of new products. The outstanding scale of products stood at RMB207.080 billion, up by RMB18.579 billion from the end of the previous year, with the share of new products rising from 9.68% at the beginning of the year to 9.83%. **It accelerated efforts to improve investment research capabilities.** Based on research on fixed-income investment, it moved faster to enhance equity asset investment capabilities. Through multi-asset and multi-strategy portfolio investment, it reduced correlation, controlled extreme risks, and effectively boosted returns. **It focused on creating values for customers,** and carried out the construction of a digital and intelligent marketing system. Through precise analysis of channels, products and customers, it refined scenario-based customer management capabilities, improved the whole-process management of product quality, and provided customers with advisory services related to wealth management. As at the end of the reporting period, the number of customers holding wealth management products reached 10,921.3 thousand, an increase of 9.42% from the end of the previous year. During the reporting period, it created investment returns of RMB21.974 billion for customers, a year-on-year growth of 20.22%. **It actively responded to national strategies,** and continued to expand the "finance + charity" innovation model. During the reporting period, it newly launched 4 "Caring for Children" charity wealth management products, raising RMB2.879 billion in total. Seven charity wealth management products matured during the period, recording a donation amount of RMB7.0426 million, all of which were used for public welfare projects related to children's education and medical care.

As at the end of the reporting period, the AUM of wealth management products (including entrusted management) reached RMB2.13 trillion, an increase of 7.00% from the end of the previous year. The comprehensive capability of the bank's wealth management business remained in the first tier of the rankings by PY Standard and CSJ Golden Bull, and gained extensive recognition across the market.

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39 The "two ends" refers to currency products and medium- to long-term products with a term of one year or more; the "middle" refers to other products with a term of less than one year; "equities" refer to option-embedded products.

2.8.3.3 Risk Management

Risk Management of Financial Markets Business

The Bank continuously optimized the embedded approval mechanism for credit risk in financial interbank customers, and implemented the requirements of "Integration of Five Policies", making the management of credit risk associated with financial interbank customers more effective. The Bank continuously consolidated the system for managing credit risk in financial markets business, dynamically adjusted the list of proprietary credit bonds, optimized the review and approval process for credit bonds, specified concentration limit management requirements, refined the mechanisms for investment decision-making and position management, and strengthened risk monitoring and management in key industries. Meanwhile, the Bank's bond portfolio was primarily composed of treasury bonds and local government bonds. The Bank steadily advanced investment in credit bonds. During the reporting period, the creditworthiness of issuers remained sound.

Risk Management of Asset Management Business

During the reporting period, the Bank further improved the risk management system for asset management business. Centering on the five dimensions of "risk identification, risk monitoring, risk response, regulation optimization, and digitalization", the Bank refined the multi-faceted management mechanism for major risks, and optimized risk management measures featuring "penetrability, foresight, and agility", to prevent and address potential and sudden major risks. The Bank continuously strengthened risk prevention and control capabilities, gave full play to the guiding role of the comprehensive risk management policy, strictly guarded against risks with risk appetite at the core, and enhanced the monitoring of key indicators and the application of stress tests. Focusing on risk prevention and control in key areas, the Bank deepened the early warning management mechanism, sharpened the sensitivity in risk identification, and improved the risk emergency management system to enhance risk response capabilities. As at the end of the reporting period, all underlying assets of new products under net value management were performing assets, and asset quality remained sound.

2.8.4 Distribution Channels

2.8.4.1 Physical Outlets

As at the end of the reporting period, the Bank had 1,477 outlets in 153 medium-sized and large cities in the Chinese mainland, including 37 tier-one branches (directly managed by the Head Office), 125 tier-two branches, and 1,315 subbranches (including 27 community/micro and small sub-branches), together with 1,502 self-service banks (including onsite and offsite self-service banks), 3,650 self-service terminals and 9,914 smart teller machines (including 3,201 vertical ones). As such, the Bank has developed a diversified outlet service network that consists of comprehensive outlets, boutique outlets, community/micro and small outlets and off-bank self-service outlets. The table below summarized the distribution of outlets by region.

	End of June 2025		End of December 2024	
Regions	**Number of outlets**	**Proportion (%)**	Number of outlets	Proportion (%)
Yangtze River Delta	**303**	**20.51**	304	20.68
Bohai Rim	**314**	**21.26**	312	21.22
Pearl River Delta and West Strait	**244**	**16.52**	242	16.46
Central China	**275**	**18.62**	272	18.51
Western China	**257**	**17.40**	255	17.35
Northeastern China	**84**	**5.69**	85	5.78
Total	**1,477**	**100.00**	1,470	100.00

On the basis that its domestic branches have basically covered large and medium-sized cities across China, the Bank followed the requirements of "reducing costs, increasing efficiency, cutting quantity and improving quality" in the construction of domestic branches. Through measures such as optimizing outlet layout, enhancing efficiency and controlling operating costs, it realized efficient allocation of resources. Meanwhile, in active response to national strategies, the Bank implemented major initiatives including 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. It also strengthened the supply of financial services in key areas such as free trade zones, ports and new areas, to comprehensively improve the accessibility of financial services.

In terms of empowering outlet construction with science and technology, the Bank adhered to the concept of "acting in response to customers", and continued to promote the intelligent upgrading of outlets. **First,** the smart teller machines were added a product recommendation zone that can tailor recommendations for wealth management and deposit products based on customer tags, and support the purchase of special deposit products such as Flexible Deposit, Easy Enjoyment and Exclusive Term Deposit. **Second**, the Bank refined the customer acquisition process for loan issuance and disbursement at smart counters, achieving seamless connection with the cloud-based intelligent application process for debit and credit cards, thereby reducing repeated filling of information by customers and improving their overall service experience. **Third,** the smart teller machines now supports opening accounts with foreign passports and Hong Kong, Macau, and Taiwan region IDs. With mobile banking services and quick payment services, the Bank effectively enhanced financial service convenience for foreigners. **Fourth,** the Bank introduced customer identification and classified alert functions for branch queue, effectively reducing customer waiting time and strengthening the service response capabilities of outlet lobbies.

In terms of the layout of overseas outlets, the Bank set up London Branch in the UK, Hong Kong Branch in Hong Kong SAR, and Sydney Representative Office in Australia. CNCBI, an affiliate of the Bank, had 30 outlets and 2 business wealth management centers in Hong Kong SAR, Macao SAR, New York, Los Angeles, Singapore and the Chinese mainland. CNCB Investment had 3 subsidiaries in Hong Kong SAR and the Chinese mainland. JSC Altyn Bank had 7 outlets and 1 private banking center in Kazakhstan. During the reporting period, according to its strategic development plan, the Bank continued to improve the management frameworks for human resources, businesses, systems, authorization and performance evaluation of overseas affiliates, guided the overseas affiliates in compliant and prudent operation, and steadily promoted the upgrading of Sydney Representative Office.

2.8.4.2 Retail Online Channels

Mobile Banking App

During the reporting period, the Bank continued to optimize the services of its mobile banking App with a focus on user experience. In terms of scenario-based services, it kept refining the experience of core scenario functions such as account, asset, fund transfers, and income-expense analysis. It also integrated scenarios such as preferential merchant payments and government subsidies, and built a life-related payment channel to boost consumption. In terms of product innovation, the Bank developed an intelligent panoramic recommendation model to achieve precise cross-category matching of wealth management products, and provide asset allocation suggestions and information services. In terms of service improvement, the Bank launched wealth management sections such as "Best Buys of the Week" and "Long-term Growth Products", along with deposit scenarios such as "Easy Enjoyment" and "Flexible Deposit", so as to meet the differentiated customer needs for product selection. It released the "Xinxin Family" quarterly product operation report for the first time, providing position advisory services for customers. Additionally, it upgraded the configuration capabilities of the "Smart Cube" platform, consolidated the basic capabilities of "smart content management platform", built the unified content management system at multiple channels, smoothed out key channels for content release, realizing the full process data asset accumulation from content production, release to result assessment. During the reporting period, the online MAUs of mobile banking App of the Bank reached 18,038.2 thousand.

Mobile Card Space App

The Bank continued to build the Mobile Card Space into a core online scenario-based ecosystem, deepening capabilities of scenario-based customer acquisition and value-oriented operation. On one hand, it focused on introducing high-quality merchant resources and building customer management capabilities. Cumulatively, it introduced over 1,300 brand merchants that covered more than 17,000 stores, driving the transformation of scenario operation from resource distribution to be "content-oriented, customer-based and intelligent". The Bank innovatively launched the "Selected Group Purchase" channel and the "content community" module. On the other hand, the Bank continuously optimized the service experience throughout the card usage by establishing an intelligent perception and proactive response mechanism for online services. The mechanism enabled real-time identification of user frustration scenarios and an efficient closed loop of one-on-one human customer services, promoting more proactive and caring services for customers. During the reporting period, the MAUs of the Bank's Mobile Card Space App reached 19,340.6 thousand.

Remote Customer Management Service

During the reporting period, driven by the application of AI large models, the Remote Customer Management Service Center deepened full-chain smart operations. First, it enabled a closed-loop of tiered services. It connected "human services, AI interaction and WeCom" ecosystem, building a closed loop of online wealth management for primary-level customers[40], and realizing one-stop services of "demand prediction, intelligent matching and channel collaboration". Second, it empowered operations with intelligent technologies. By leveraging AI to analyze customer intentions and optimize strategies in real time, it enabled customer service representatives to conduct precision marketing and process monitoring, promoting the systematic upgrading of service efficiency. Third, it realized a breakthrough in values through large-scale operation. It activated the potential of existing customers through all-channel collaboration, and advanced AI-powered customer engagement and precise conversion through human services to enhance customer stickiness and value. During the reporting period, the center reached customers for more than 50 million times via remote channels, covering more than 10 million customers in total.

Open Banking

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, wealth, financing, payment and bill payment with industries through standardized product components, serving customers more than 31.12 million times and recording more than RMB305.8 billion in cumulative transactions.

2.8.4.3 Corporate Online Channels

During the reporting period, the Bank continued to deepen the online signing services for all products via electronic channels for corporate customers. Cumulatively, it enabled online signing for 70 products including electronic bills, wealth management products, funds, and Tuanjinbao, further reducing the need for customers to visit physical outlets and improving service efficiency. A brand-new bank-enterprise cloud direct connect service was launched, allowing customers to place payment orders vis third-party platforms to online banking without the need for pre-installation, development, or testing. This service efficiently connected business, treasury, and payment processes, facilitating transaction settlement for customers. Efforts were made to enhance the corporate wealth management service experience. The wealth management module in online banking was fully revamped to deliver intelligent recommendation of wealth management products and enable automatic connection of operation processes, thereby significantly improving customer experience. As at the end of the reporting period, the Bank recorded 1,289.8 thousand customers across corporate online channels, up by 5.05% from the end of the previous year, and covering 97.09% of the total corporate business.

40 Refers to customers with an AUM of less than RMB200,000.

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, opened for business in June 2019. It conducted wholesale banking and its main business scope covered deposits, loans, such as bilateral lending, syndicated lending, trade finance, and cross-border M&A finance, financial markets business such as agency spot foreign exchange trading, money market trading, derivative trading, offshore RMB trading, bond repurchase, investment in and issuance of bonds and interbank certificates of deposits, as well as financial services such as cross-border RMB payment settlement.

During the reporting period, London Branch continued to focus on its primary responsibilities and main businesses, steadily advanced business development and the profitability improvement. In face of the complex and changing international situations, London Branch constantly deepened collaboration between domestic and overseas operations, gave full play to its functions as the financing center in EMEA[41], actively expanded the size of local quality customers, and served "going-global" Chinese-funded enterprises. It further sought trading opportunities in the market, and stayed active in the money market and forex market. It undertook the forex transactions of the Head Office during European trading sessions, provided customers with efficient and convenient forex trading services throughout the day, actively performed its duties as an interbank forex market maker, and offered the market continuous two-way quotations. During the reporting period, London Branch recorded a proprietary trading volume of USD14.644 billion, a total forex trading volume of USD19.427 billion on behalf of the Head Office.

During the reporting period, London Branch realized operating income of USD18.2814 million[42] and net profit of USD5.1160 million. As at the end of the period, London Branch reported total assets of USD3.132 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 covering loan businesses such as bilateral loans, syndicated loans, and cross-border M&A financing, as well as financial markets businesses including money market transactions, offshore RMB transactions, bond repurchase businesses, and investments in bonds and interbank certificates of deposit.

Hong Kong Branch gave full play to its role as a core platform in the Bank's overseas development strategy, enhancing the capacity for providing comprehensive services to meet customers' cross-border financial demands and its coverage in major markets overseas. During the reporting period, Hong Kong Branch achieved an operating income of HKD8.9302 million[43]. As at the end of the reporting period, Hong Kong Branch recorded total assets of HKD4.805 billion.

2.8.6 Subsidiaries and Joint Ventures

2.8.6.1 CIFH

CIFH was incorporated in Hong Kong SAR in 1924. It was acquired by CITIC Group in June 1986 and restructured to become 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 2,631 employees and no retired employees at the company's expense. It recorded HKD551.561 billion in total assets and HKD63.793 billion in net assets. During the reporting period, it realized operating income of HKD5.909 billion, up by 12.02% year on year, and net profit of HKD2.157 billion, up by 91.46% year on year.

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41 The collective term for the three regions of Europe, the Middle East and Africa.

42 The exchange rate on 30 June 2025 of USD against RMB was 1:7.1654.

43 The exchange rate on 30 June 2025 of HKD against RMB was 1:0.912801437.

CNCBI. CNCBI is a full-license commercial bank based in Hong Kong SAR. It fully leveraged its role as the main platform of China CITIC Bank for overseas business and the main channel for cross-border collaboration, actively integrated into the Group's ecosystem, accelerated the building of capabilities, and continuously improved its customer base and service capacity.

In terms of corporate banking, CNCBI actively provided customers with professional cross-border financing solutions such as syndicated loans, project financing and green and sustainable finance loans. As at the end of the reporting period, CNCBI ranked the first and second on the list of lead arrangers and bookkeepers in the Hong Kong and Macao syndication markets respectively released by Bloomberg and London Stock Exchange. The total size of loans under agency business management reached HKD188.013 billion, an increase of 12.51% from the end of the previous year. The securities service business maintained rapid growth. As at the end of the reporting period, the total size of securities under custody amounted to HKD360.205 billion, an increase of 16.80% from the end of the previous year. The balance of bond trust stood at HKD233.627 billion, up by 28.84% from the end of the previous year.

In terms of treasury and global market business, CNCBI actively captured market business opportunities, and fully leveraged its professional advantages as a market maker of the Southbound Bond Connect. During the reporting period, it completed issuance of 94 public offering bonds, with a total issuance size of about USD29.314 billion. Of these, 37 bonds were issued with its participation as a joint global coordinator, with a total size of USD11.890 billion. It successfully assisted the Ministry of Finance of Kyrgyzstan in completing its first USD bond issuance. It participated in the issuance of offshore RMB infrastructure bonds by the Hong Kong SAR government as an underwriter for the first time, becoming the first joint-stock bank participating in the Hong Kong SAR government's RMB-denominated bond issuance.

In terms of personal and corporate banking, CNCBI further optimized its asset-liability structure, seized market opportunities to continuously expand its wealth management business, and enriched its wealth management product shelf to provide differentiated and diversified wealth management solutions and meet customers' needs for wealth management in an all-around way. During the reporting period, the income related to wealth management increased by 49.54% year on year.

As at the end of the reporting period, CNCBI recorded an issued share capital of HKD18.404 billion, and posted total assets of HKD548.091 billion and net assets of HKD58.881 billion. During the reporting period, CNCBI realized operating income of HKD5.842 billion, up by 12.29% year on year, and realized net profit of HKD2.094 billion, a growth of 97.83% year on year.

CIAM. CIAM is a Hong Kong SAR-based institution mainly engaged in private equity investment and asset management. During the reporting period, CIAM implemented the strategy of "controlling risks, increasing income, reducing costs and streamlining tiers", strengthened the management and orderly exit of projects and platform companies, and increased the recovery of debt projects. Meanwhile, CIAM continued to strengthen expense management and control, reduced operation costs and improved income.

2.8.6.2 CNCB Investment

CNCB Investment is a wholly-owned subsidiary of the Bank established in Hong Kong SAR in 1984 with a registered capital of HKD1.871 billion. Its business scope covered lending (it holds a Hong Kong SAR money lender license), 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 own 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. It increased collaboration with domestic Head Office and branches, providing critical support for the formation of a new development paradigm featuring connection between "commercial banking and investment banking" at home and abroad. During the reporting period, CNCB Investment continued to advance the transformation towards a capital-light model, and achieved fast growth in the bond underwriting business. In the first half of the year, it implemented 122 bond underwriting projects, with the income from underwriting fees up by more than 50% year on year, and ranked 10th in the Chinese-funded offshore bond market by the underwriting scale[44]. The scale of active asset management business expanded steadily, with increasingly diverse products and services and steady progress in key channel and customer development.

As at the end of the reporting period, CNCB Investment registered total assets of USD5.489 billion, up by 5.21% from the end of the previous year, net assets attributable to parent company of USD801 million, up by 3.92% from the end of the previous year, and assets under active management of USD5.173 billion, up by 5.51% from the end of the previous year. During the reporting period, CNCB Investment realized net profit attributable to parent company of USD9 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[45]. Its business scope covers financial leasing.

During the reporting period, CITIC Financial Leasing focused on its main business of leasing, continued to drive 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", fully supporting the development of the real economy. In terms of large-sized assets, it stepped up cooperation with shipbuilding, aviation and shipping companies, and invested RMB6.290 billion in aircraft and ship-related business, successfully advancing the 80,000-ton multi-purpose grain ship project with COSCO Shipping Bulk Co., Ltd., and launching the first homemade aircraft operating lease project. In terms of small-sized assets, it invested RMB17.179 billion in the fields of vehicles and household photovoltaic systems, etc., made good use of the project company-based fund model, and served more than 130,000 rural households. During the reporting period, it launched the industry's first project company household photovoltaic project under the fund model. It accelerated its presence in the passenger vehicle field, helping more than 26,000 people own and use vehicles. In terms of medium-sized assets, it strengthened the support for key areas such as green development, environmental protection, and strategic emerging industries. As at the end of the reporting period, the balance of green finance leases amounted to RMB30.117 billion, and the balance of leases in strategic emerging industries was RMB28.103 billion.

As at the end of the reporting period, the total assets of CITIC Financial Leasing recorded RMB99.546 billion, up by 19.33% from the end of the previous year, and the net assets posted RMB12.825 billion, up by 41.39% from the end of the previous year. During the reporting period, CITIC Financial Leasing realized net operating income and net profit of RMB1.046 billion and RMB752 million respectively, up by 25.88% and 41.74% year on year 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 506 employees and no retired employees at the company's expense. It registered total assets of RMB13.393 billion, net assets of RMB12.498 billion, and a capital preservation and appreciation rate of 110.52%. During the reporting period, it recorded operating income of RMB1.875 billion, and net profit of RMB1.196 billion.

For details of asset management business conducted during the reporting period, please refer to relevant content on asset management under "2.8.3 Financial Markets Business" in this chapter.

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44 The data is sourced from WSTPro/SereS Chinese-funded USD bond platform.

45 For details about the change of registered capital of CITIC Financial Leasing, please refer to section "2.12 Material Investments, Material Acquisitions, Material Sales of Assets and Equity" of this report.

2.8.6.5 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 65.70% of its shares. The business scope includes deposits and loans (mainly for individuals and small and micro-sized enterprises), settlement, acceptance and discounting of electronic bills, and agency collection and payment services, etc through electronic channels.

During the reporting period, CITIC aiBank vigorously served the overall development, focused on major national strategies, decisions and plans, consolidated the foundation of inclusive finance, and promoted strategic transformation from a long-term perspective. It consistently improved the accessibility of financial services, centered on users' diversified needs for financial services, and leveraged its digital strength to provide users with more extensive, accessible and caring financial services. As at the end of the reporting period, CITIC aiBank served over 100 million users in total, with new urban residents accounting for more than 50% of the total. Upholding the purpose of serving the real economy, it paid attention to the personalized financing needs of small and micro-sized enterprises, strengthened inclusive support for small and micro-sized enterprises, and enhanced the quality and efficiency of inclusive financial services. As at the end of the reporting period, the balance of inclusive loans to small and micro-sized enterprises was RMB11.162 billion, an increase of 22.65% from the end of the previous year. It consistently drove financial service innovation with technology and data, actively explored the application of cutting-edge technologies, and launched the "User Cube" project during the reporting period. Through advanced data governance systems and AI engine analysis, it developed holographic user portraits, which improved the credit approval efficiency for micro, small, and medium-sized enterprises by 65%, effectively solving the problem of slow and difficult financing for such customers, and making financial services more accessible to them.

As at the end of the reporting period, CITIC aiBank recorded total assets of RMB119.516 billion and net assets of RMB9.452 billion, up by 1.90% and 4.50% as compared to the end of last year, respectively. During the reporting period, it generated net operating income of RMB2.875 billion and net profit of RMB472 million, up by 28.64% and 1.66% year on year, respectively.

2.8.6.6 JSC Altyn Bank

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

JSC Altyn Bank upheld the path to differentiated and characteristic development, and continuously enhanced core market competitiveness. In terms of corporate business, by leveraging the policy advantages of domestic free trade zones, JSC Altyn Bank provided convenient fund services for enterprises' overseas investment and trade, steadily advanced the cross-border use of RMB, and built a characteristic 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 "going global". In terms of retail business, JSC Altyn Bank continuously drove digital transformation, and enhanced service value and customer experience through integration between technologies and scenarios. Moreover, it constantly expanded online housing mortgage business, and achieved a breakthrough in online auto mortgage business. During the reporting period, JSC Altyn Bank successfully completed distribution of cash dividends, with the return rate remaining at a high level, continuously creating value for shareholders.

As at the end of the reporting period, JSC Altyn Bank recorded share capital of KZT7.050 billion[46], total assets of KZT1,158.984 billion, and net assets of KZT140.540 billion. During the reporting period, it realized net operating income of KZT32.749 billion, net profit of KZT20.365 billion and ROE stood of 29.03%.

2.8.6.7 Lin'an CITIC Rural Bank

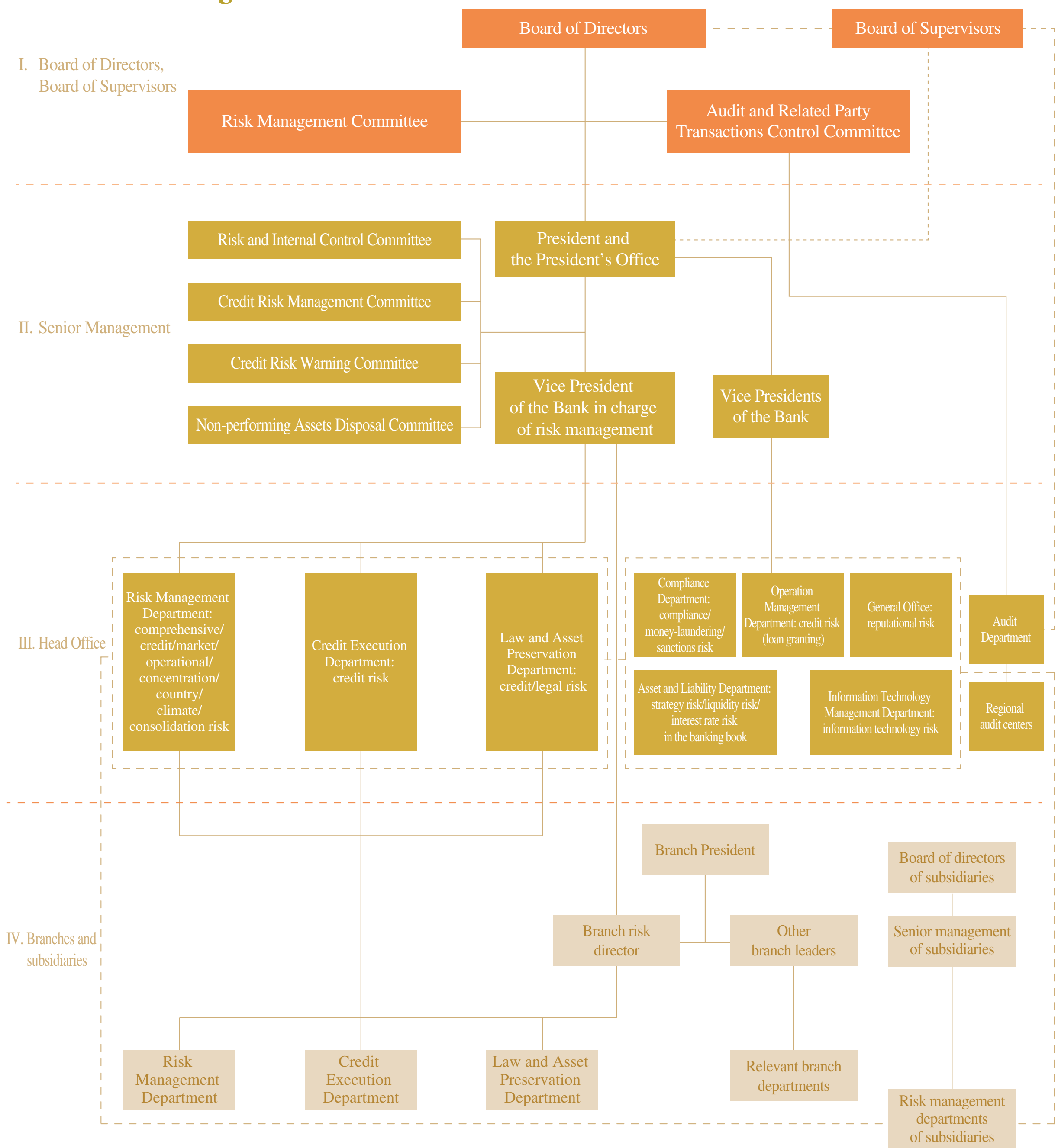
Lin'an CITIC Rural Bank was incorporated in Hangzhou, Zhejiang Province in December 2011. It has a registered capital of RMB200 million, with the Bank holding 51% of its equity interest. Lin'an CITIC Rural Bank is mainly engaged in general commercial banking business. As at the end of the reporting period, the total assets and net assets of Lin'an CITIC Rural Bank were RMB1.951 billion and RMB388 million respectively.

Lin'an CITIC Rural Bank focuses on rural areas, communities, and small and micro enterprises, serving as an important platform for the Bank to fulfill its social responsibilities and implement the strategies of rural revitalization and common prosperity. As at the end of the reporting period, the total loans to farmers and small and micro-sized enterprises accounted for 84.79% of the total loans, with an average loan balance per household of RMB544.3 thousand and a bill-to-loan ratio of 2.77%.

46 The exchange rate on 30 June 2025 of KZT against RMB was 0.013789427.

2.9 Risk Management

2.9.1 Risk Management Structure



2.9.2 Risk Management System and Techniques

The Bank continued to improve its comprehensive risk management system featured by "effective risk control and vigorous development promotion", and upheld a 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, reinforced risk appetite management of its subsidiaries, and promoted the effective transmission and implementation of risk appetite across the Group. The Bank advanced the "Integration of Five Policies" and, focusing on the "Five Priorities" of the financial sector, increased credit supply to key areas. It refined its unified credit extension management system, and strengthened control over regional and client concentration risks. The Bank strictly complied with regulatory requirements, including the *Rules on Large Exposure of Commercial Banks*, with all relevant indicators remaining within regulatory limits. It continued to integrate credit approval, management and inspection, improved the building of a full-time approver system, and strengthened the development of post-lending and post-investment management and collateral management systems, thereby improving the full-process credit business management mechanism. The Bank took concrete actions to manage risks arising from key areas such as real estate, local government debt, and retail, while resolving risk projects in an orderly manner to firmly safeguard against systemic risks. Additionally, it deepened the consolidation risk management system, and strengthened the development of a professional risk management team, with the aim of enhancing risk management capabilities of the Bank.

In pursuit of "a panoramic view, comprehensive control, and thorough rectification", the Bank advanced digital, data-based and intelligent risk management and gradually built an intelligent, agile, efficient, and digital risk control system. By deepening the development of a panoramic view of risks, the Bank enhanced the application of AI technologies and its risk identification capabilities. It also upgraded risk modeling tools and further deepened the integration of internal rating model development, validation, and application.

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 comes from various credit businesses, including but not limited to loans (factoring included), guarantee, 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 Credit Risk Warning 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.

Under the overall objective of maintaining stable asset quality and increasing the proportion of high-quality customers 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 the whole-process credit management, prevented systemic risks, and kept credit risks within a tolerable range. 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.

2.9.3.1 Optimization of the Credit Structure

By leveraging the “Integration of Five Policies”, the Bank guided and optimized the asset allocation structure, with a focus on serving the real economy and strengthening support for key areas and weak links. The Bank clarified credit strategies for such areas as technology finance, green finance, new quality productive forces, mass consumption, traditional industry upgrading, agriculture, forestry, animal husbandry and fisheries, capital markets and M&A, supply chain finance, cross-border finance, and transition finance.

The Bank focused on risk management in key areas. It continued to effectively implement the coordinated mechanism for urban real estate financing to promote the stable and healthy development of the real estate market. At the same time, the Bank in-depth implemented of the national decisions and plans on preventing and defusing local government debt risks, while providing orderly and effective support for resolving local debts.

2.9.3.2 Improvement of the Review and Approval Mechanism

The Bank revised the group customer credit management measures by further strengthening the unified credit management for group customers across the Bank and ensuring consistency in risk appetite. Guided by the principle of safeguarding the bottom line and preventing systemic risks, the Bank improved the credit review and approval system and procedures, enhancing review and approval independence, quality and efficiency. The review and approval standards (guidelines) were revised to ensure the timely implementation of national policies and to reinforce the rigorous application of internal ratings.

2.9.3.3 Reinforcement of Proactive Post-lending Management

The Bank continued to advance the development of a post-lending and post-investment management system, implemented the four-category credit customer management, and proactively and orderly phased out corporate credit business with inefficient and outdated capacity. The Bank continued to carry out tiered and categorized risk monitoring, strengthened oversight of credit fund flows and public market information, and enhanced risk screening for key sectors and customers. The Bank continued to conduct a Bank-wide re-examination of corporate credit approvals to further improve the quality, compliance, and risk control of its corporate credit business.

2.9.3.4 Enhancement of Digital Risk Control Capabilities

The Bank actively explored multi-scenario applications of big data and artificial intelligence, improved the early-warning and risk mitigation management systems, and strengthened the timeliness, accuracy, and forward-looking nature of credit risk management.

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 and exchange rate risk. The Bank has established a market risk management policy system covering market risk identification, measurement, monitoring, control, and reporting. By closely monitoring market risk, strictly implementing product access and risk limit management, timely conducting risk measurement and reporting, and other measures, the Bank has prevented and controlled its market risk. The target of market risk management of the Bank is to effectively keep market risk within an acceptable and reasonable range and strike an appropriate balance between risk and return.

During the reporting period, the Bank optimized its market risk appetite, ensured its effective transmission, and re-examined and monitored its market risk limits, with no breaches reported. The Bank continuously tracked and monitored market fluctuations, particularly interest rate and exchange rate movements, conducted risk screening and warnings, and carried out stress testing and contingency drills to effectively prevent and manage market risk. For details of market risk capital measurement, please refer to the *Third Pillar Information Disclosure Report of the First Half of 2025* 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 report of this report.

2.9.4.1 Interest Rate Risk Management

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, so as to control the interest rate risk in the trading book within 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, the domestic bond market yields exhibited volatility, with the 10-year CGB yield ranging between 1.6% and 1.9%. In response, the Bank closely tracked market changes, strengthened market research and assessment, effectively carried out risk monitoring and forewarning, prudently controlled the interest rate risk exposure in the trading book, and ensured accurate measurement and regular analysis and reporting of the interest rate risk.

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 rate, 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 capability, 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 mechanism, etc.

During the reporting period, the Bank closely followed changes in monetary policies and fiscal policies, strengthened the analysis and prediction of the trend of market interest rate and the simulation and analysis of customer behavior changes, and took forward-looking measures for proper response. 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, net interest income fluctuation (△NII), and economic value of entity fluctuation (△EVE). It also flexibly employed price guidance, duration management, scale management, and other management tools to ensure the overall stability of the Bank's interest rate risk exposures in the banking book. With the combined effect of the above management measures, 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.

2.9.4.2 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 through foreign exchange exposure analysis. Its foreign exchange exposure 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 with liabilities denominated in the same currencies and by making appropriate use of derivative financial instruments. For foreign exchange exposures of Bank-wide 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 impact of changes in the RMB exchange rate against the US dollar. During the reporting period, the RMB exchange rate remained generally stable at a reasonable and balanced level, with the RMB exchange rate against the US dollar appreciating modestly by 1.86%. The Bank strictly controlled the foreign exchange risk exposures of relevant businesses, and intensified daily monitoring, forewarning, and reporting of exchange rate movements and foreign exchange risk exposures, thereby controlling the exchange rate risk within the acceptable range.

2.9.5 Liquidity Risk Management

Liquidity risk refers to the risk that a bank is unable to obtain adequate capital in a timely manner and at 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 ensure that the liquidity demand 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 Board of Supervisors, and the senior management and subordinate special committees and the relevant management departments of the Bank, and explicitly defined 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 shall review and approve the liquidity risk appetite, liquidity risk management strategy, important policies and procedures, etc. The Board of Supervisors 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 general meeting of shareholders. 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 part of responsibilities of the senior management under the latter's authorization. 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, and 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 a prudent liquidity risk level, and implements a prudent, 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 its legal-person institutions, and for managing liquidity risk at the legal-person institution level in a centralized manner. 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 master policy framework on liquidity risk management.

During the reporting period, the People's Bank of China (PBOC) pursued a moderately accommodative monetary policy stance and intensified counter-cyclical adjustments. A mix of policy tools including reserve requirement ratio (RRR) and interest rate cuts, open market operations (OMOs), the medium-term lending facility (MLF), as well as re-lending and rediscounting were employed to guide market liquidity toward a reasonably ample level. Money market interest rates initially exhibited an upward trend before declining, remaining at relatively low levels throughout the period. 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. Adhering to stabilizing and increasing deposits, it stepped up efforts in improving the total amount and structure of fund sources and utilization, and maintained a dynamic balance between liquidity and efficiency in a coordinated manner. It also enhanced liquidity risk measurement and monitoring, kept practicing liquidity risk limit management, and ensured liquidity risk indicators could meet regulatory requirements and be maintained at reasonable levels. Moreover, the Bank properly conducted routine liquidity management, strengthened market analysis and forecast, 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 a reasonable and proactive liability structure so as to ensure the smooth channels and diversified sources of 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 capability. During the reporting period, the Bank reasonably set stress scenarios and conducted liquidity risk stress testing on a quarterly basis, comprehensively taking into account major factors and external environmental factors that may trigger liquidity risk. Under the mild, medium, and severe scenarios, the Bank's minimum survival periods all exceeded the 30-day limit specified by the regulator.

As at the end of the reporting period, the Group's liquidity indicators continued to meet regulatory requirements. The liquidity coverage ratio was 137.45%, 37.45 percentage points higher than the minimum regulatory requirement, indicating that the Group had an adequate reserve of premium liquid assets and strong capacity to withstand the short-term liquidity risk, which is set out as below:

Unit: RMB million

Item	**30 June 2025**	31 March 2025	31 December 2024
Liquidity coverage ratio	**137.45%**	138.22%	218.13%
Qualified premium liquid assets	**1,267,289**	1,200,344	1,264,199
Net cash outflow in the coming 30 days	**921,975**	868,434	579,554

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 Decree [2015] No.52).

The net stable funding ratio was 107.26%, 7.26 percentage points higher than the minimum regulatory requirement, indicating that the available stable funding sources for the Bank could support the needs of sustainable business development, which is set out as below:

Unit: RMB million

Item	**30 June 2025**	31 March 2025	31 December 2024
Net stable funding ratio	**107.26%**	105.81%	106.90%
Available stable funding	**5,643,323**	5,603,728	5,373,336
Required stable funding	**5,261,426**	5,296,202	5,026,517

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 Decree [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 report of this report.

2.9.6 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 risk. The Bank has established a comprehensive operational risk management policy 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 established a proper value orientation for operational risk management and fostered a sound culture of operational risk management. It has reinforced the integration of operational risk management with frameworks and mechanisms, including business continuity, outsourcing risk management, cybersecurity, and data security, thereby enhancing the operational resilience of the Bank.

During the reporting period, the Bank actively advanced its application to adopt the standardized approach to operational risk with the use of a self-calculated Internal Loss Multiplier, strengthened proactive operational risk management, and deepened the application of operational risk management tools. It issued priorities for operational risk management for the year, further refined the mechanism for collecting risk event data, and continuously improved the refined management of loss data and capital measurement. The Bank timely started operational risk-triggered evaluation in the links where risk management is weak, enriched the key risk indicator system, and made risk monitoring more forward-looking. To further cultivate a robust operational risk culture, the Bank conducted multi-tiered, multi-dimensional, cross-disciplinary training and campaigns. The Bank reinforced the consolidated management of subsidiaries and overseas branches and achieved full system coverage across both domestic and international subsidiaries and branches as for operational risks, thereby elevating the Group-wide operational risk management. The Bank continued to advance the building of management systems for business continuity, information technology risk, and outsourcing risk, reviewed business impact analyses, optimized the resource management mechanism for business continuity backup site, and conducted emergency drills simulating service disruptions of third-party systems for critical business to strengthen operational resilience. The Bank optimized the information technology risk assessment mechanism for higher efficiency and quality, promoted the effective implementation of its outsourcing management program, expanded key risk indicators for outsourcing management, and strengthened monitoring of associated operational risks. During the reporting period, the Bank's operational risk management system operated stably, placing operational risk under control in the overall sense.

2.9.7 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 concept of "adhering to the bottom line, strengthening awareness, focusing on execution, proactive management, and creating value", the Bank is committed to creating an information technology risk culture covering "all employees, all aspects, and full process".

The Bank has established an organizational structure featuring "three lines of defense" consisting of the "one department and three centers" of information technology, Risk Management Department, Compliance Department, Audit Department, and other relevant departments. During the reporting period, the Bank further strengthened its information technology risk management system and refined relevant policies and procedures. It carried out enterprise-level identification, monitoring, assessment, control, mitigation, and reporting of information technology risk. Through a combination of on-site and off-site inspections, the Bank ensured full coverage of information technology risk inspections across domestic and overseas branches, thereby reinforcing the overall risk prevention and control. Implementing the national and regulatory laws and requirements, the Bank engaged qualified professional institutions to conduct assessments on cybersecurity protection and commercial cryptography application security for systems classified at cybersecurity protection Grade III or above. The Bank strengthened production operation management, strictly controlled the risks associated with information system deployment, and conducted high-quality emergency drills simulating "command-based switching" scenarios to enhance the Bank's business continuity assurance capabilities.

During the reporting period, the Bank did not have any major information technology risk event, and the information systems operated stably, placing information technology risk under control in the overall sense.

2.9.8 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 resulted from the Bank's behaviors, employees' behaviors or external events.

During the reporting period, the Bank upheld the political and people-oriented nature of financial work, followed the basic principles of "forward-looking, matching, full coverage, and effectiveness" in reputational risk management, and implemented various work related to reputational risk management. In line with the central government's directives on preventing and defusing financial risks, the Bank worked on improving the operational efficiency of the three-tiered governance structure for reputational risk consisting of the Board of Directors, Board of Supervisors and senior management, departments of the Head Office, and branches and subsidiaries. The Bank continued to reinforce the reputational risk management mechanism by achieving closed-looped management of reputational risk across the entire process, namely before, during, and after the event, to ensure timely forewarning and effective control of key risks. At the same time, the Bank further strengthened its awareness of the broader picture and its sense of responsibility, and advanced the institutionalization of reputational risk management. It enhanced joint prevention and control, proactively carried out risk analyses and assessments, with fast and collaborative response and effective solution of reputational issues, continuously improving the Bank's overall capabilities in reputational risk management and response. No material reputational risk events occurred during the reporting period.

2.9.9 Country Risk Management

Country risk refers to the risk of losses to the business of the Bank in a country or region or other losses of the Bank caused by the inability or refusal of the debtor in the country or region to repay the Bank's debts due to economic, political and social changes and events in that country or region.

The Bank formulated sound country risk management policies and procedures so as to effectively identify, measure, monitor, and control country risk. It identified and measured country risk in cross-border credit extension, investment, and off-balance sheet businesses, conducted regular country risk assessments and ratings in countries/regions where business has been conducted or planned to be conducted, set appropriate country risk limits, and regularly monitored and rationally controlled country risk exposures.

During the reporting period, the Bank closely monitored developments in the international landscape, continuously strengthened its country risk monitoring and assessment, optimized the emergency management mechanism for country risk, promptly updated country risk ratings, and reviewed and adjusted country risk limits. As at the end of the reporting period, the Bank's country risk exposures were primarily concentrated in countries/regions with relatively low risk levels and under control overall.

2.10 Internal Control

2.10.1 Internal Control System

During the reporting period, the Bank continued to strengthen its internal control mechanisms by focusing on key areas and control priorities to further enhance internal control management. It advanced the integrated internal control and compliance governance mechanism of "inspection – rectification – assessment", with an emphasis on key links in business operations. In the light of regulatory risk alerts and key areas such as credit business, the Bank conducted targeted evaluations and implemented corrective measures, thereby reinforcing controls over key business operations. The Bank further unified the authorization logic, streamlined authorization plan, and continued to intensify differentiated authorization for key branches and important businesses, making authorization control more scientific and reasonable. Meanwhile, it organized and conducted the annual review of delegation of authority and standardized the management of delegation of authority at branches.

2.10.2 Compliance Management

During the reporting period, strictly implementing the *Measures for the Compliance Management of Financial Institutions* issued by the NFRA, the Bank enhanced relevant systems, mechanisms, and procedures. It strictly adhered to and internalized regulatory requirements. In response to 32 newly issued regulations such as the *Management Measures for the Agency Sale Business of Commercial Banks,* the Bank released 8 issues of *Police Circular*, continuously monitoring the progress, quality, and effectiveness of the internalization. The Bank intensified compliance reviews for innovative businesses to effectively identify, assess, and forestall risks associated with new products, businesses, and major projects. In response to requirements from the National Audit Office and the NFRA, it conducted targeted risk screenings focusing on the quality and efficiency of financial services provided in support of the real economy, risks in key foundational sectors, and compliance violations by tier-two branches. A dedicated campaign was launched to rectify unlawful and non-compliant activities, making risk prevention and control efforts more forward-looking, proactive, and targeted. The Bank remained committed to cultivating a robust compliance culture. Through intensive learning programs, online training courses, awareness campaigns, and unannounced examinations, it continued to strengthen compliance education for cadres and employees at all levels, consistently promoting its core business philosophy of "acting with integrity, adhering to compliance" among its employees.

2.10.3 Anti-money Laundering (AML)

The Bank has consistently attached great importance to AML efforts. It strictly adhered to the *Law of the People's Republic of China on Anti-Money Laundering*, the *Guidelines for Risk Management Regarding Money Laundering and Terrorist Financing in Corporate Financial Institutions (Trial)*, and other applicable laws and regulations. Operating under a management framework characterized by the collaborated deployments by the Board of Directors, the Board of Supervisors, and senior management, coordinated duty performance by the three lines of defense, and clear accountability across the Head Office, branches and sub-branches, the Bank has firmly adopted a risk-based approach to AML management, continuously improved mechanisms and procedures, reinforced AML retrospective inspection through comprehensive and robust measures, strengthened controls in high-risk areas, and accelerated the intelligent development of AML systems, thereby enhancing the overall AML compliance and the effectiveness of money laundering risk control.

During the reporting period, the Bank closely tracked evolving external regulatory requirements, continuously refined its AML institutional framework, and revised fundamental regulations in this area. It conducted regular AML reviews across "policies, products, and systems" and strengthened risk alerts for potential money laundering activities, supporting the sound development of business operations. The Bank conducted in-depth retrospective AML governance, reinforced risk screening in key areas by category and promoted rectifications to root causes. Customer due diligence mechanisms were improved, and data chains were established to trace back risks associated with key products, enhancing risk control precision. Leveraging new technologies and new algorithms, the Bank continued to develop, deploy, and optimize suspicious transaction monitoring models, and further upgraded functions of the digital AML management platform. In addition, the Bank advanced the development of the AML talent team, and strengthened AML management of overseas institutions and subsidiaries to enhance their capabilities to perform duties.

2.11 Internal Audit

The Bank established an independent and vertical internal audit system, with the internal audit function carrying out work under the leadership of the Board of Directors, to which it is responsible and reports its work. The Board of Directors takes ultimate responsibility for the independence and effectiveness of the internal audit, and provides necessary support for the internal audit to be conducted independently and objectively. The Bank's internal audit department, consisting of the Audit Department of the Head Office and eight regional audit centers under its vertical management, performs the duty of audit supervision, and is independent from business operation, risk management, and internal control and compliance.

During the reporting period, the Bank's internal audit centered on the Bank's development strategy and central task. Following the *Five-Year Plan for the Development of Audit Work (2021-2025)*, the Bank enhanced its audit quality, strengthened audit through technology, empowered audit with talent, reinforced audit through reform, accelerated the digital transformation of its audit function, and actively promoted continuous auditing. Coordinated efforts were made to address the identification of problems and supervision and rectification of audit findings. Placing equal importance on supervision and services, the Bank continued to consolidate the foundation of audit management, strengthened the cultivation of specialized audit talent, built a learning-oriented organization, carried out research-based audits, and guided audit practices with research findings, continuously improving the audit value, quality, and efficiency.

During the reporting period, guided by a risk-oriented approach and anchored to the value objectives of "preventing risks, promoting development, and enhancing efficiency", the Bank focused on national policies implementation, regulatory priorities, corporate governance and strategic execution, and internal control and compliance in key areas. Audit work was centered on areas such as serving the real economy, real estate financing, credit extension to entities with governmental backgrounds, online lending, consumer rights protection, case prevention and control, operational risk, off-balance-sheet businesses, and consolidated management. In line with its principle of cost-reduction and efficiency-enhancement, the Bank studied and conducted flexible audit projects such as special input-output audits, and organized audit surveys on the "Five Priorities" of the financial sector. It continued to reinforce supervision over key institutions, critical business areas, and essential positions, improved risk early warning and agile auditing, promoted systematic and root-cause rectification of audit findings at a strategic level, while deepening the practical application of audit results. It also advanced the development of a coordinated mechanism of supervision and audit and strengthened joint prevention and control capabilities across the three lines of defense so as to support the high-quality and sustainable development of the Bank.

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

2.12.1 Capital Increase of CITIC Financial Leasing and Conversion of Undistributed Profits into Registered Capital

On 20 February 2025, the Bank's Board of Directors reviewed the *Proposal on the Capital Supplement Plan for CITIC Financial Leasing Co., Ltd.*, and approved the conversion of RMB3.0 billion of CITIC Financial Leasing's undistributed profits into its registered capital, and a capital injection of RMB3.0 billion in cash by the Bank. Upon completion of this capital increase, CITIC Financial Leasing's registered capital shall rise from RMB4.0 billion to RMB10.0 billion, with the Bank still holding 100% equity in CITIC Financial Leasing. For more information, please refer to the *Announcement on the Resolution of the Meeting of the Board of Directors of China CITIC Bank Corporation Limited* and the *Announcement of China CITIC Bank Corporation Limited on Increasing Capital and Transferring Undistributed Profits to Registered Capital of CITIC Financial Leasing Co., Ltd.*, published on 21 February 2025, on the SSE's website (www.sse.com.cn) and the Bank's official website.

In July 2025, CITIC Financial Leasing completed the aforesaid capital increase and related statutory procedures, including the registration of the change in registered capital, raising its registered capital from RMB4.0 billion to RMB10.0 billion. For more information, please refer to the *Announcement on the Completion of Capital Increase of CITIC Financial Leasing Co., Ltd. and Conversion of Undistributed Profits into Registered Capital*, disclosed by the Bank on 19 July 2025. For information on CITIC Financial Leasing's principal business and its profit and loss during the reporting period, please refer to Section 2.8.6 "Subsidiaries and Joint Ventures" of this report.

2.12.2 Investing in and Establishing Financial Asset Investment Company

On 8 May 2025, the Bank's Board of Directors reviewed the *Proposal on Investing in and Establishing Financial Asset Investment Company*, and approved the use of the Bank's own funds to establish a wholly owned subsidiary, CITIC Bank Financial Asset Investment Co., Ltd. (provisional name). In May 2025, the Bank received the *Reply of the National Financial Regulatory Administration on the Preparation for the Establishment of CITIC Bank Financial Asset Investment Co., Ltd.* (NFRA Reply [2025] No. 333), approving the preparation for the establishment of CITIC Bank Financial Asset Investment Co., Ltd. (provisional name) by the Bank. Upon completion of the preparatory work, the Bank will apply to the NFRA for commencement of business in accordance with applicable regulations and procedures. For more information, please refer to the Bank's announcements disclosed on 9 May 2025 and 4 June 2025.

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 report of this report.

2.14 Outlook

In the second half of the year, the external environment is expected to remain severe and complex, with weakening global economic growth momentum, continued divergence in the economic performance of major economies, and potential sudden geopolitical risks and trade frictions. Amid these challenges, the Communist Party of China Central Committee has accelerated the introduction and implementation of macroeconomic policies. The policies on "expanding domestic demand" and the "Four Stabilities" are working in tandem to support steady economic growth in the second half of this year.

Under these circumstances, the banking sector is expected to face both opportunities and risks in the second half of the year. On the on hand, the accelerated rollout and implementation of macroeconomic policies will create opportunities for banks in areas such as asset deployment, structural optimization, and risk resolution. On the other hand, structural imbalances in the domestic economy persist, and latent risks in key sectors have yet to be fully defused. Additionally, it will take time for the asset quality of retail banking to stabilize and improve.

In the second half of the year, guided by its strategy and anchored to its objectives, the Bank will maintain strategic focus, advance steadily by focusing on the theme of high-quality development, and intensify efforts in the following key areas: **First, continuously enhancing the capabilities to serve the real economy**. The Bank will closely follow the latest regulatory requirements, promptly adjust and strengthen institutional mechanisms, and ensure the effective implementation of various policies. It will further increase lending to the "Five Priorities" of the financial sector, optimize strategies for inclusive corporate and personal loans, enhance professional service capabilities in pension finance, and deepen the application of digital technology in business scenarios. Through concrete actions, it will actively support the real economy, boost consumption, and facilitate the commercialization of scientific and technological achievements. **Second, accelerating the building of a "Five Leading" bank**. To build itself into a "leading wealth management bank", the Bank will focus on building professional capabilities, driven by both delivering near-term operational results and building medium- and long-term systemic capacities ("twin drivers"). It will strengthen revenue drivers and promote steady growth in AUM, retail credit balances, and the number of personal customers. To build itself into a "leading comprehensive financing bank", the Bank will accelerate the development of four ecosystems, namely "commercial banking + investment banking + collaboration + matchmaking", deepen the "underwriting + investment + trading" full-chain mechanism, and extend the value chain of equity investment and loan linkage. To build itself into a "leading trading settlement bank", the Bank will focus on three major projects of "platforms, products, scenarios", further enhancing product-driven capabilities and scenario-based services. To build itself into a "leading forex service bank", the Bank will fully promote the "Blue Ocean Initiative" for cross-border finance, advance the building of cross-border financial centers, accelerate the development of independently controlled customer-facing settlement channels, and make key breakthroughs in new types of cross-border finance. To build itself into a "leading digital bank", the Bank will accelerate the release of transformation benefits, coordinate and promote the development of enterprise-level digital systems and capabilities in an integrated way, and continuously increase digital coverage in the three major areas of management, business, and operation. **Third, continuously strengthening financial risk prevention and control**. The Bank will actively respond to changes in the external environment, persistently control new risks and eliminate existing ones, and strive to strengthen risk prevention and control in key areas. It will proactively manage asset quality and preemptively set up risk-related lines of defense, strengthen the management of forward-looking indicators such as overdue loans and the formation of non-performing assets, enhance responses to financial market fluctuations and major emergencies, and adopt multiple measures to maintain stable asset quality, comprehensively improving the quality and efficiency of risk management. **Fourth, further strengthening lean management**. The Bank will fully utilize various resources and platforms within the CITIC Group and the Bank to enhance collaboration across business lines, institutions, and legal persons, integrating resources to enhance collaboration. Meanwhile, it will continue to control costs properly.

2.15 The Implementation of the "Corporate Value and Return Enhancement" Action Plan

In response to the *Proposal on Launching the "Corporate Value and Return Enhancement" Action Plan for Companies Listed in Shanghai* by the SSE, the Bank formulated its action plan on the basis of its development strategies and operational needs. For details, please refer to the *"Corporate Value and Return Enhancement" Action Plan of China CITIC Bank Corporation Limited* announced by the Bank on 28 June 2025. The Bank adhered to the philosophy of respecting and rewarding investors, made solid efforts in implementing the action plan, and strove to build a balanced, robust, and sustainably growing operational foundation. It ensured investor returns, smoothed out the channels for communication with investors, and enhanced the confidence of investors, endeavoring to become a "value bank" recognized by investors. The specific implementation is as follows:

First, serving national strategies and making solid efforts in advancing the "Five Priorities" of the financial sector. In the first half of the year, the Bank focused on the "Five Priorities" of the financial sector, namely technology finance, green finance, inclusive finance, pension finance, and digital finance, and continuously intensified support for major national strategies, key areas, and weak links. In terms of **technology finance**, the Bank optimized the three-tiered organizational structure (head office, branches, and sub-branches), increased the number of key technology finance branches to 21, and launched innovative products such as loans for the commercialization of technological outcomes and intellectual property right financing loans. The outstanding loan balance to technology enterprises increased by 8.14%. In terms of **green finance**, the Bank actively established outlets for green demonstration, exclusive green operations, and carbon neutrality, and launched a green and low-carbon service platform, with green credit growing by 16.79% and exceeding RMB700 billion threshold. In terms of **inclusive finance**, the Bank promoted and supported the full implementation of the financing coordination mechanism for small and micro-sized enterprises, achieving promising growth in inclusive loans and agriculture-related loans. In terms of **pension finance**, the Bank iterated the "Happiness +" pension finance service system and launched the financial work plan for the pension industry, with the scale of pension fund under custody surpassing RMB530 billion. In terms of **digital finance**, the Bank intensified its efforts to carry out the "AI+" initiative, achieving innovations such as digital advisors, smart enterprise assistants, and digital risk control. Loans to core industries in the digital economy exceeded RMB270 billion.

Second, adhering to the strategic guidance to steadily enhance operational quality. In the first half of the year, the Bank resolutely pursued its goal of building itself into a bank of value, effectively balancing short-term operating performance with medium-and long-term systemic capacity building, further consolidating its development foundation. In terms of operational results, core metrics withstood pressure and achieved steady growth, demonstrating strong resilience. In terms of operational process, the Bank thoroughly implemented its four operational themes and cost-reduction requirements. "Stabilizing interest margins and asset quality" provided robust support for development. Initiatives to "expand fee-based business income and customers" outperformed the market. And cost-reduction measures delivered results. In terms of development momentum, strategic "advancement" drove operational "stability", and the traction of the strategy enhanced the sustainability of development, reinforcing the certainty of the development of the Bank. In particular, the Bank advanced the "Five Leading" strategy from comprehensive rollout to in-depth implementation, further boosting the momentum for high-quality development of the Bank.

Third, improving the corporate governance system to protect investors' rights and interests. In the first half of the year, all general meetings of the Bank were convened in full compliance with regulations. The Bank adopted a cumulative voting system for proposals on the election of directors and separately tallied the votes of shareholders holding less than 5% of shares for proposals involving significant events, fully safeguarding the legitimate rights of minority shareholders. The Bank continuously strengthened support for directors' duty performance and gave full play to the role of independent directors in "participating in decision-making, exercising oversight and checks and balances, and providing professional advice". Independent directors provided objective and impartial opinions independently on several significant events, including profit distribution, the appointment of accounting firms, related party transactions, and the nomination of directors and senior management members, actively contributing to the Board of Director's rational decision-making. Furthermore, the Bank thoroughly implemented the requirements of the *Company Law of People's Republic of China* and other laws and regulations, as well as the latest regulatory policies, scientifically studied and formulated implementation plans on the reform of the Board of Supervisors, improved the corporate governance system with the Bank's Articles of Association at its core, and further refined the corporate governance structure and operational mechanisms.

Fourth, stabilizing return expectation and enhancing investor confidence. In order to create long-term, stable returns for investors, the Bank has continuously improved its dividend distribution level. In 2024, a cash dividend of RMB19.455 billion was distributed, marking the sixth consecutive year of increase. The dividend payout ratio, representing the proportion of the dividend amount to the consolidated net profit attributable to the Bank's ordinary shareholders, rose to 30.5%. To better reward investors and enhance the timeliness and stability of cash dividends, the Bank actively responded to the calls of the regulators and thoroughly studied and implemented important policies such as the State Council's new "Nine Opinions" for the capital market. Built on the interim dividend distributed last year, the Bank focused on promoting the normalization of interim dividends and planned to increase the 2025 interim dividend payout ratio to 30.7%, further boosting investor return expectations and strengthening capital market confidence in the development of the Bank.

Fifth, effectively conveying CITIC investment stories to comprehensively enhance the quality and efficiency of value delivery. In the first half of the year, the Bank continuously improved the transparency, effectiveness, and pertinence of its information disclosure, particularly the quality of its financial information disclosure, to facilitate a comprehensive understanding of its operating conditions among all stakeholders. Together with annual reports and sustainability reports, it also released visual summaries such as "Performance at a Glance" and "ESG Report at a Glance" to increase reach and visibility, making the release of the reports more "down-to-earth and popular". Meanwhile, the Bank continued to hold its 2024 annual results release conferences via "online video live broadcast + onsite meeting" to expand its audience reach, receiving wide market attention and positive feedback. In addition, by integrating the "bringing in" and "going global" strategies, the Bank seized market opportunities, frequently conducted investor surveys and communication, and participated in capital market forums to fully communicate its investment value to the market. In the first half of the year, the Bank's A-share and H-share stock prices rose by 22% and 43% respectively, delivering solid returns to investors.

Chapter 3 Environmental, Social and Governance (ESG)

3.1 Overview of Corporate Governance

During the reporting period, oriented by high-quality development, the Bank earnestly implemented the national decisions and plans as well as the regulatory requirements, continuously deepened the integration of Party leadership with corporate governance, effectively improved the corporate governance system, consistently refined the corporate governance structure featuring "comprehensive leadership by the Party Committee, strategic decisions made by the Board of Directors, lawful supervision by the Board of Supervisors, and implementation by the management", and accelerated efforts to enhance its corporate governance, thereby comprehensively improving its corporate governance efficiency. The Board of Directors, the Board of Supervisors, and their special committees operated in a compliant manner and performed their duties faithfully and diligently, with smooth coordination as well as checks and balances between governance bodies. The channels for directors and supervisors to perform their duties were further broadened, the methods for them to perform their duties were improved, and their capabilities of performing duties were further enhanced. The Bank attached great importance to and actively gave into play the roles of independent directors and external supervisors in supervision and balancing, and fully safeguarded their legal rights such as the right to know.

The Board of Directors continuously strengthened its self-improvement, voluntarily accepted the supervision of the Board of Supervisors and other parties, and leveraged on its strategic leading role to fully support the development of the real economy and reinforce the duty performance regarding risk prevention. The Bank closely followed the national strategic orientation, and focused on the "Five Priorities" of technology finance, green finance, inclusive finance, pension finance, and digital finance to continuously deepen reform and innovation. Focusing on value creation and deepening value-driven operations, the Bank made steady progress in delivering on its strategic objectives. It endeavored to build a "Five Leading" bank, actively advanced the light-capital transformation, and comprehensively upgraded financial technology empowerment, thereby accelerating the Bank's high-quality development. 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 standards.

In accordance with the guiding ideology of "fulfilling the functions of the Board of Supervisors", the Board of Supervisors was committed to the principles of "full coverage with a focus on priorities". Pursuant to relevant laws, regulations, regulatory requirements, and the provisions in the Bank's Articles of Association, the Board of Supervisors, focusing on the Bank's development strategies and core tasks and based on the Bank's legal position, responsibilities and obligations, focused on supervising key fields such as development strategies, financial management, risk management and internal control, and earnestly carried out supervision work. Paying special attention to the implementation of national economic, financial policies and regulatory requirements by the Board of Directors and senior management, it enhanced duty supervision and evaluation, intensified efforts in the application of duty performance evaluation results, and actively enhanced the quality and effectiveness of supervision. In doing so, it effectively protected the interests of the Bank, its shareholders, employees as well as the society.

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, earnestly implemented the resolutions adopted by the shareholders' general meeting and the Board of Directors, and actively accepted the supervision of the Board of Supervisors as well. 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 NAFR, the CSRC and the SEHK; neither were there major corporate governance issues that the regulatory authorities required to resolve but remained outstanding.

3.1.1 Responsibilities of Shareholders' General Meeting, Board of Directors, Board of Supervisors and Senior Management and Meetings Thereof

3.1.1.1 Shareholders' General Meeting

Responsibilities of the shareholders' general meeting

The shareholders' general meeting is the Bank's organ of power. According to the Articles of Association of the Bank, the principal responsibilities of the shareholders' general meeting include making decisions on the Bank's business strategies and investment plans, electing and replacing directors as well as shareholder representative supervisors and external supervisors, and deciding on the remunerations of directors and supervisors, deliberating on and approving work reports of the Board of Directors and the Board of Supervisors, deliberating on and approving the Bank's annual financial budget plans, final accounts plans, profit distribution plans and loss remedy plans, deliberating on and approving the change of use of financed proceeds, resolving on the Bank's plan for injection or reduction of registered capital, resolving on the Bank's plans for merger, division, splitting, dissolution, liquidation or change in corporate status of the Bank, resolving on the issue of corporate debt securities or other securities as well as the listing thereof, resolving on the purchase of the Bank's ordinary shares according to laws and regulations, amending the Bank's Articles of Association, engaging and dismissing accounting firms for regular statutory audit of the Bank's financial reports and deciding on their remunerations or the ways to determine their remunerations, deliberating on proposals put forward by shareholders who individually or collectively hold more than 3% of the voting shares of the Bank, deliberating on matters involving major investments, purchase or disposal of major assets within one year that exceed 10% of the audited net asset value of the Bank for the latest reporting period, deliberating on and approving share incentive plans, deciding on or authorizing the Board of Directors to decide on matters relating to the issued preference shares of the Bank, including but not limited to determining whether to repurchase, convert preference shares or pay dividends, deliberating on related party transactions that shall be reviewed and approved by the shareholders' general meeting pursuant to relevant laws, administrative regulations, ministerial rules and the securities regulatory rules of the places where the Bank's shares are listed, removal of independent directors from office, deliberating on and approving the rules of procedures of the shareholders' general meeting, Board of Directors and Board of Supervisors, and deliberating on other matters that shall be decided by the shareholders' general meeting in accordance with relevant laws, administrative regulations, ministerial rules, requirements of the securities regulators at the places where the Bank's shares are listed and relevant provisions of the Articles of Association of the Bank.

Convening of General Meetings

During the reporting period, the Bank convened 1 extraordinary general meeting, 1 annual general meeting, 2 A shareholders class meetings and 2 H shareholders class meetings, where 16 proposals were adopted after deliberation. These meetings were all convened in compliance with the procedures specified in the Articles of Association of the Bank. Relevant resolutions of the general meetings and class meetings were disclosed by the Bank on the websites of SSE (www.sse.com.cn), HKEXnews (www.hkexnews.hk) and the Bank (www.citicbank.com).

On 25 March 2025, the Bank held the First Extraordinary General Meeting of 2025, the First A Shareholders Class Meeting of 2025 and the First H Shareholders Class Meeting of 2025 in Beijing. Chairman of the Bank, Mr. Fang Heying presided over the meetings. Some other directors, certain supervisors and the board secretary attended the Extraordinary General Meeting and A shareholders and H shareholders class meetings, and some senior management members were present at the meetings as non-voting attendees. The Extraordinary General Meeting reviewed and adopted three proposals 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, the election of Mr. Lu Wei as executive director of the 7th Session of the Board of Directors, and the election of Mr. Fu Yamin as non-executive director of the 7th Session of the Board of Directors. Among these, the 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 was also reviewed and approved at the First A Shareholders Class Meeting of 2025 and the First H Shareholders Class Meeting of 2025.

On 20 June 2025, the Bank held the Annual General Meeting of 2024, the Second A Shareholders Class Meeting of 2025 and the Second H Shareholders Class Meeting of 2025 in Beijing. Chairman of the Bank, Mr. Fang Heying presided over the meetings. Some other directors, certain supervisors and the board secretary attended the Annual General Meeting and the A and H shareholders class meetings, and some senior management members were present at the meetings as non-voting attendees. The Annual General Meeting reviewed and adopted 9 proposals regarding the 2024 Annual Report, 2024 financial report, 2024 profit distribution plan, 2025 fixed asset investment budget plan, no need to prepare a report on the use of proceeds from the previous issuance, extension of the effective period of the resolutions in relation to the Rights Issue, engagement of accounting firms and their fees for 2025, report of the Board of Directors for 2024, and report of the Board of Supervisors for 2024. Among these, the proposal on extension of the effective period of the resolutions in relation to the Rights Issue was also reviewed and approved at the Second A Shareholders Class Meeting of 2025 and the Second H Shareholders Class Meeting of 2025.

3.1.1.2 Board of Directors

Responsibilities of the Board of Directors

The Board of Directors is the decision-making body of the Bank. As per the Articles of Association of the Bank, the principal responsibilities of the Board of Directors include the following: convene general meetings and report to the shareholders' general meeting, implement the resolutions adopted by the shareholders' general meeting, determine the development strategies, business plans and investment proposals of the Bank, and supervise the strategy implementation, prepare the annual financial budget and final accounts of the Bank, prepare the profit distribution plans and loss remedy plans of the Bank, determine the plans for major investment, major assets acquisition, disposal and write-off, asset mortgage, data governance, external donations and other major matters of the Bank in accordance with laws, regulations, supervisory provisions and the Bank's Articles of Association or within the scope of authorization of the shareholders' general meeting, formulate plans for the issuance and listing of bonds or other securities, develop the Bank's capital plan and assume ultimate responsibility for capital management, prepare proposals for the amendments to the Bank's Articles of Association, determine the appointment or dismissal of the President of the Bank and the board secretary and to determine matters relating to their remunerations, awards and punishments, considering the nomination by the President and determining the appointment or dismissal of the Vice Presidents of the Head Office, and in accordance with regulatory requirements, determine the appointment or dismissal of the Business Directors and other senior management members who shall be appointed by the Board of Directors, determine matters relating to their remunerations, awards and punishments, and supervise the duty performance by the senior management, review and establish the basic management rules and internal management structure of the Bank, submit proposals to the shareholder's general meeting regarding the engagement or dismissal of the accounting firm responsible for regular statutory audits of the Bank's financial reports, etc. The Board of Directors should listen to the opinions of the Bank's Party Committee prior to making decisions on major issues of the Bank. As at the disclosure date of this report, the Bank's 7th Session of the Board of Directors comprised 9 members, with independent directors accounting for more than one-third of the total board membership. For details thereof, please refer to "3.1.3 Overview of Directors, Supervisors and Senior Management Members" of this chapter.

Work of the Board of Directors

During the reporting period, the Board of Directors convened 7 meetings (including 5 on-site meetings and 2 meetings through circulation of written resolutions). At the meetings, the Board of Directors reviewed and adopted 47 proposals regarding the 2024 Annual Report, report for the first quarter of 2025, 2024 sustainability report, 2024 profit distribution plan, 2025 business plan, 2025 fixed asset investment budget plan, application for the establishment of a financial asset investment company, appointment of Mr. Lu Wei as President of the Bank, nomination of Mr. Lu Wei as an candidate for executive director of the 7th Session of the Board of Directors, appointment of Mr. Jin Xinian as Vice President of the Bank, and nomination of Mr. Wei Qiang as a candidate for non-executive director of the 7th Session of the Board of Directors, among others. It also listened to 27 presentations regarding recent policy updates, the Bank's operating results in 2024 and in the first quarter of 2025, report on comprehensive risk management in 2024 and report on comprehensive risk management in the first quarter of 2025, report on internal control, compliance and anti-money laundering in 2024, 2024 non-performing asset disposal report, issues identified in the PBOC's 2022 comprehensive regulatory inspection and corresponding rectification measures, rectification of issues identified in the 2023 legal entity regulatory circular, etc. In accordance with regulatory requirements and the Articles of Association of the Bank, relevant significant events were all submitted to the on-site board meetings 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 Board of Supervisors

Responsibilities of the Board of Supervisors

The Board of Supervisors is the supervisory body of the Bank accountable to the shareholders' general meeting. According to the Articles of Association of the Bank, its principal responsibilities include proposing the convening of extraordinary general meetings, submitting proposals to the shareholders' general meeting, supervising the Board of Directors in establishing a sound business philosophy and value guidelines and formulating development strategies that are in line with the Bank's actual conditions, supervising and evaluating the duty performance and due diligence of the Board of Directors, senior management, and their members in performing their duties, supervising the selection and appointment procedures for directors, supervising the implementation of the remuneration management system of the Bank and the scientificity and reasonableness of the remuneration packages developed for senior management members, supervising and inspecting the Bank's business decisions, financial activities, risk management, and internal control, among others, and urging rectification, and reviewing the Bank's periodic reports prepared by the Board of Directors and providing written opinions accordingly, etc. As at the disclosure date of this report, the Bank's 7th Session of the Board of Supervisors comprised 6 members. For details thereof, please refer to "3.1.3 Overview of Directors, Supervisors and Senior Management Members" of this chapter.

Work of the Board of Supervisors

During the reporting period, the Board of Supervisors convened 7 meetings (including 6 on-site meetings and 1 meeting through circulation of written resolutions). At these meetings, it reviewed and adopted 13 proposals regarding the Bank's 2024 Annual Report, report for the first quarter of 2025, 2024 sustainability report, 2024 profit distribution plan, report on internal control assessment in 2024, annual assessment report on the performance of duties by directors, supervisors and senior management members for 2024, work report of the Board of Supervisors for 2024, work plan of the Board of Supervisors for 2025, and engagement of accounting firms and their fees for 2025. At the same time, it listened to 36 presentations regarding recent policy updates, assessment report on plan implementation in 2024, the Bank's operating results in 2024 and in the first quarter of 2025, report on comprehensive risk management in 2024 and report on comprehensive risk management in the first quarter of 2025, report on internal control, compliance and anti-money laundering in 2024, annual self-assessment report on case risk prevention and control and employee conduct management for 2024, work summary on consumer protection in 2024 and work plan for 2025, report on implementation of consolidated management of the Group for 2024, report on equity management of substantial shareholders and major shareholders for 2024, etc. By doing so, the Board of Supervisors had a deep understanding of the operation and management status of the Bank and actively performed its supervisory duties.

The meeting of the Board of Supervisors is the main way for the Board of Supervisors to exert its supervisory function. During the reporting period, based on the comments and suggestions of supervisors, the Board of Supervisors issued 2 *Supervision Work Letters* to relevant business units for research and feedback, and sent them to the Board of Directors and the senior management of the Bank. The Board of Supervisors further improved the whole-process and closed-loop supervision mechanism of meetings of the Board of Supervisors, and enhanced the quality and efficiency of the meetings. In addition, members of the Board of Supervisors supervised the decision-making process of the Bank's major matters by participating in general meetings, attending on-site meetings of the Board of Directors, meetings of special committees of the Board of Directors and senior management meetings as non-voting delegates and reviewing various documents and materials submitted by the senior management.

On 15 July 2025, the Board of Directors of the Bank deliberated on and approved the Proposal on the Dissolution of the Board of Supervisors, according to which the 7th session of the Board of Supervisors and its members shall perform their duties in accordance with relevant laws, regulations and the current Articles of Association until the date when adjustment regarding dissolution of the Board of Supervisors takes effect. For details, please refer to the relevant announcements published on 16 July 2025 and 6 August 2025 on the websites of SSE (www.sse.com.cn), HKEXnews (www.hkexnews.hk) and the Bank (www.citicbank.com).

3.1.1.4 Senior Management

The senior management is accountable to the Board of Directors and subject to the supervision of the Board of Supervisors. There is a strict division of duties and separation of power 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 operation and management activities and diligently implements the resolutions of the general meetings and the Board meetings. The Board of Directors evaluates the performance of the senior management members, the results of which shall be used as the basis for determining remunerations and other incentive plans for the senior management members. The senior management should timely, accurately and completely report the Bank's operation and management and provide relevant materials as required by the Board of Directors or the Board of Supervisors. As at the disclosure date of this report, the Bank's senior management comprised 8 members. For details thereof, please refer to "3.13 Overview of Directors, Supervisors and Senior Management Members" of this chapter.

3.1.2 ESG Information

The Bank has established and continuously improved a sustainability governance framework consisting of the Board of Directors, the Board of Supervisors and the senior management, forming a sustainability management system featuring "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 was comprehensively supervised and guided by the Board of Directors. 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 reports, and advancing other ESG-related work pursuant to regulatory requirements. Other special committees of the Board of Directors shall jointly advance the ESG-related management according to their respective responsibilities.

Special committee of the Board of Directors	Duty performance
Strategic and Sustainable Development Committee	The committee deliberated on and approved the 2024 *Sustainability Report, the Market Value Management Policy of China CITIC Bank Corporation Limited, and the Valuation Enhancement Plan of China CITIC Bank Corporation Limited,* all of which aimed to further refine the Bank's market value management mechanism and continuously strengthen shareholder return capabilities, listened to the assessment report on plan implementation in 2024, and by reviewing the implementation of strategies, ensured the integration of sustainable development principles throughout the Bank's strategic decision-making processes.
Audit and Related Party Transactions Control Committee	The committee deliberated on and approved the Bank's *2024 Annual Report*, and other matters related to internal control assessment, related party transactions, and engagement of accounting firms, listened to the report on internal control, compliance and anti-money laundering of the Bank in 2024 and report on operating results of the Bank in 2024 and in the first quarter of 2025, fully performed its oversight responsibility, pushed forward compliant operations, and protected shareholders' rights, thereby further standardizing corporate governance.
Risk Management Committee	The committee deliberated on and approved proposals such as the *2025 Risk Appetite Statement and the Comprehensive Risk Management Policy of China CITIC Bank,* optimized its risk appetite, and incorporated climate risk into the comprehensive risk management system to ensure that climate risk and other ESG indicators align with the risk appetite established by the Board of Directors.
Nomination and Remuneration Committee	The committee deliberated on and approved the proposals on the nomination of candidates for directors of the 7th Session of the Board of Directors and reviewed the policy on diversification of board members, thereby further diversifying the composition of directors and improving the corporate governance of the Bank.
Consumer Rights Protection Committee	The committee listened to the Bank's 2024 Consumer Rights Protection Work Summary and the 2025 Work Plan, and supervised and guided, among other work, the reviewing and operating mechanisms for consumer rights protection as well as complaint reduction and handling, thereby further improving the quality and efficiency of consumer rights protection.

3.1.2.2 Duty Performance of the Board of Supervisors

During the reporting period, the Board of Supervisors of the Bank reviewed and adopted proposals regarding the 2024 Annual Report and the 2024 sustainability report and listened to a number of presentations, including the assessment report on plan implementation in 2024, report on comprehensive risk management in 2024 and report on comprehensive risk management in the first quarter of 2025, report on internal control, compliance and anti-money laundering in 2024, annual self-assessment report on case risk prevention and control and employee conduct management for 2024, report on innovation work in 2024, and work summary on consumer rights protection in 2024 and work plan for 2025. These meetings focused on the performance of duties of the Board of Directors and senior management in green finance, internal control and compliance, anti-money laundering, services for the real economy, consumer rights protection and other areas, and put forward targeted opinions and suggestions on advancing the in-depth integration of the "Five Priorities" in finance with the Bank's "Five Leading" strategy.

3.1.2.3 Duty Performance of Senior Management and Subordinate Institutions

The senior management of the Bank is responsible for formulating ESG-related work goals and key tasks and promoting their implementation by relevant departments, domestic and overseas branches and subsidiaries. Committees and working groups are set up to oversee various ESG-related tasks and jointly improve the Bank's sustainable development management capability. The ESG-related committees and working groups established under the senior management of the Bank are as follows:

Organization under the senior management	Responsibilities/Duty performance
Internal Control and Compliance Management Committee	With the President as the director, the committee is responsible for the Bank's internal control and compliance management in a holistic way, studying and making decisions on major matters in the process of internal control and compliance management, and coordinating and pushing forward relevant matters.
Risk and Internal Control Committee	With the President as the director, the committee is responsible for studying, reviewing and deciding on matters related to risk management, internal control and compliance management. During the reporting period, it held 4 meetings to review major matters related to the comprehensive risk management system and basic policies and rules on management of risk of various kinds, and listen to special reports on the Bank's risk management.
Credit Approval Committee of the Head Office	With the Bank's Vice President as the director, the committee is responsible for reviewing risks including environmental and climate risks in all credit and non-credit businesses, takes into full consideration the production techniques, energy consumption, and discharge of pollutants in customers' production and operating process, as well as the impacts on eco-environment and biodiversity, and adheres to the "veto" system for environmental risks.
Consumer Rights Protection Committee	With the President as the director, the committee is mainly responsible for the effective implementation of the strategic goals and policies for consumer rights protection. During the reporting period, the committee convened 1 meeting to discuss and arrange key tasks, including the rectification of issues identified in the 2024 consumer protection regulatory assessment, the 2025 consumer protection work plan, and credit card complaint management.
Information Technology Committee	With the Bank's Vice Present as the director, the committee consists of the General Office, New Technology Application Working Group, Working Group for Coordinating Demands, and Working Group for Internet and Information Security. It is responsible for making plans for the Bank's information technology development, reviewing the Bank's information technology development plan, coordinating major matters, monitoring information technology investment, etc. During the reporting period, it held 3 meetings to review a number of proposals regarding the annual work priorities, technology resource allocation, major projects, etc.

Organization under the senior management	Responsibilities/Duty performance
Anti-money Laundering (AML) Work Leading Group	With the President as the leader, the leading group is the daily decision-making and management body for the Bank's AML work, responsible for reviewing and making decisions on matters of AML internal control management and money laundering risk management, as well as planning, coordinating and guiding the Bank's AML work.
Leading Group for Advancing the "Five Priorities" in Finance	The leading group was established with the Chairman of the Bank serving as its leader. Five dedicated working groups were set up in alignment with the "Five Priorities" in finance, each headed by the responsible leader of the Bank with dedicated action plans formulated for their respective priority. Together, the leading group and the five working groups form the Bank's "1+5" implementation framework to ensure the effective advancement of the "Five Priorities" in finance across the Bank.
Green Finance Leading Group	Led by the Chairman of the Bank, the leading group is responsible for the overall planning for the Bank's green finance development, working out strategies and objectives for green finance development, and guiding the implementation of green finance work.
Inclusive Finance & Rural Revitalization Leading Group	Led by the Chairman of the Bank, the leading group is responsible for establishing and improving systems and mechanisms of inclusive finance and rural revitalization, formulating development plans, and promoting the development of related business in a holistic manner.
Working Group on ESG and Market Value Management	With the Bank's Vice President as the leader, the working group takes a holistic approach to continuously improve the Bank's ESG management system and mechanism, and coordinates related departments to effectively push forward the implementation of ESG proposals to help improve the Bank's ESG ratings.

3.1.2.4 Cultivation of Compliance Culture

In its development plan, the Bank proposed fostering a risk and compliance culture defined by prudence and rationality, strict adherence to bottom-line, quality orientation, value creation, a strong sense of responsibility, and a pursuit of excellence. It established a tiered, categorized, and diversified compliance training system, delivering tailored programs for different groups, including management personnel, three kinds of new employees[47], and the entire staff, to continuously convey operational compliance requirements and embed the compliance philosophy into all aspects of business management.

For management personnel: The Bank conducted training on the theories and practices related to compliance management as well as the latest regulatory policies and requirements, to help management personnel at all levels understand the industry's compliance trends and the Bank's compliance management status. During the reporting period, six compliance training sessions were conducted for key position personnel, including heads responsible for compliance, compliance department leaders, newly appointed sub-branch presidents, and high-potential division-level cadres across all domestic branches and subsidiaries. These sessions effectively promoted the value of compliance and enhanced the compliance awareness and professional capabilities of staff in key positions.

47 Including newly recruited employees, newly transferred employees and newly promoted employees.

For three kinds of new employees: The Bank expanded its online training channels, and organized a total of six pre-job training sessions and exams for the three kinds of new employees during the reporting period, with 3,204 person-times participation. These efforts continuously improved their compliance performance capabilities and professional competence, created a positive atmosphere of "learning, understanding and abiding by rules", and provided solid compliance assurance for the healthy development of all businesses.

For employees across the Bank: Compliance education remains a central focus of staff training. Regular programs such as compliance classes, roadshows, and warning-education sessions were conducted to enhance compliance awareness among employees. Multiple channels, including videos, micro-courses, and online classes were innovatively employed to promote a risk and compliance culture. During the reporting period, the Bank disseminated over 40 issues of compliance education content via the CITIC To Go subscription account, the intranet, and other platforms, covering policy interpretation, operational guidelines, risk alerts, and other relevant topics in a bid to effectively guide employees in establishing and following compliance principles, and embed compliance requirements throughout all stages of business operations.

Anti-money laundering (AML) training

The Bank's AML training focuses on promoting awareness of and compliance with the *Anti-Money Laundering Law of the People's Republic of China*. The Bank released the 2025 work plan for anti-money laundering campaigns, training and examinations, and conducted a range of tiered and categorized AML training activities. These initiatives deepened all employees' understanding of their responsibilities and risks, ensuring they understand, comply with, and uphold AML regulations and continuously enhancing the AML capabilities of personnel at all levels of the Bank.

During the reporting period, the Head Office issued the *Notice on Deepening the Study and Implementation of the Anti-Money Laundering Law of the People's Republic of China* and developed two e-learning courses and organized online learning sessions across the Bank. In collaboration with the Human Resources Department, the Bank organized lectures on AML, inviting external experts to train full-time and part-time AML personnel across the Head Office and branches, enabling them to keep abreast of the latest requirements. Specialized training sessions were delivered 31 times to employees of the compliance and business lines at branches, attracting over 3,000 participants. Key topics included the implementation of the new AML law, management of high-risk customers and businesses, customer due diligence and rating controls, problems identified in post-supervision inspections, and analysis of typical cases. More than 1,100 AML training sessions were conducted by the compliance and business lines of branches for employees at all levels of their respective institutions, with the aim to help employees at all levels develop a stronger sense of AML responsibility.

3.1.3 Overview of Directors, Supervisors and Senior Management Members

3.1.3.1 Overview of Directors, Supervisors and Senior Management Members

As at the disclosure date of this report, the Bank's directors, supervisors 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, Executive Director	Male	Jun. 1966	Sep. 2018-Jun. 2027	1,000,000	1,000,000
Lu Wei	Executive Director	Male	Oct. 1971	Jun. 2025-Jun. 2027	0	0
	President			Apr. 2025-Apr. 2028		
Hu Gang	Executive Director	Male	Mar. 1967	Oct. 2024-Jun. 2027	1,627,000	1,627,000
	Vice President, Chief Risk Officer			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	–	–
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
Wei Guobin	External Supervisor	Male	Mar. 1959	May 2020-May 2026	0	0
Sun Qixiang	External Supervisor	Female	Sep. 1956	Jun. 2021-Jun. 2027	0	0
Li Rong	Shareholder Representative Supervisor	Female	Apr. 1968	Jan. 2021-Jun. 2027	364,000	364,000
Cheng Pusheng	Employee Representative Supervisor	Male	Feb. 1968	Mar. 2022-Jun. 2027	354,000	354,000
Zhang Chun	Employee Representative Supervisor	Male	Feb. 1973	Jun. 2024-Jun. 2027	210,000	210,000
Zeng Yufang	Employee Representative Supervisor	Female	Dec. 1970	Sep. 2017-Jun. 2027	188,000	188,000
Xie Zhibin	Vice President	Male	May 1969	Since Jun. 2019	749,000	907,000
He Jingsong	Vice President	Male	Dec. 1968	Since Oct. 2024	760,000	760,000
Gu Lingyun	Vice President	Male	Feb. 1978	Since Mar. 2025	0	0
Jin Xinian	Vice President	Male	Mar. 1971	Since Aug. 2025	–	–
Lu Jingen	Business Director	Male	Jun. 1969	Since Aug. 2018	553,000	553,000
Zhang Qing	Board Secretary	Female	Aug. 1968	Jul. 2019-Jun. 2027	550,000	650,000
Non-incumbent director, supervisor and senior management members						
Cao Guoqiang	Non-executive Director	Male	Dec. 1964	Sep. 2018-Apr. 2025	0	0
Liu Cheng	Executive Director	Male	Dec. 1967	Mar. 2022-Feb. 2025	624,000	624,000
	President			Jan. 2022-Feb. 2025		
Huang Fang	Non-executive Director	Female	May 1973	Nov. 2016-Aug. 2025	0	0
Lü Tiangui	Vice President	Male	Oct. 1972	Aug. 2018-Mar. 2025	830,000	1,000,000

Notes: (1) The commencement of the terms of office of the re-engaged directors, supervisors and senior management listed above is the time of their respective initial appointment.

(2) Shareholdings of directors, supervisors and senior management members in the above table listed are all H shares of the Bank and the changes of those shares during the reporting period were all attributed to share purchase in the secondary market.

(3) As at the end of the reporting period, none of the Bank's incumbent or non-incumbent directors, supervisors or senior management members resigned during the reporting period held any share options or restrictive shares of the Bank.

(4) On 25 March 2025, the general meeting of the Bank elected Mr. Fu Yamin as a non-executive director of the 7th Session of the Board of Directors of the Bank. On 18 August 2025, Mr. Fu Yamin officially assumed as a non-executive director of the Bank as approved by the NFRA.

(5) At the meeting of the board of directors held on 8 May, 2025, the board of directors of the Bank approved the appointment of Mr. Jin Xinian as the Vice President of the Bank. On 4 August 2025, Mr. Jin Xinian officially serves as the Vice President of the Bank as approved by the NFRA.

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

Directors

On 20 February 2025, due to change of work arrangements, Mr. Liu Cheng resigned from the positions including the Bank's executive director, chairman of the Risk Management Committee of the Board of Directors and member of the Strategic and Sustainable Development Committee of the Board of Directors. Mr. Liu Cheng's resignation took effect on 20 February 2025.

On 8 April 2025, due to retirement, Mr. Cao Guoqiang resigned from his positions as the Bank's non-executive director and member of the Strategic and Sustainable Development Committee of the Board of Directors. Mr. Cao Guoqiang's resignation took effect on 8 April 2025.

On 25 March 2025, the Bank's First Extraordinary General Meeting of 2025 elected Mr. Lu Wei as an executive director of the 7th Session of the Board of Directors of the Bank. On 5 June 2025, Mr. Lu Wei officially assumed as an executive director of the Bank as approved by the NFRA.

On 25 March 2025, the Bank's First Extraordinary General Meeting of 2025 elected Mr. Fu Yamin as a non-executive director of the 7th Session of the Board of Directors of the Bank. On 18 August 2025, Mr. Fu Yamin officially assumed as non-executive director of the Bank as approved by the NFRA.

On 19 August 2025, due to change of work arrangements, Ms. Huang Fang resigned from her positions as a non-executive director of the Bank and the chairperson and a member of the Consumer Rights Protection Committee of the Board. Ms. Huang Fang's resignation took effect on 19 August 2025.

Supervisors

During the reporting period, no change took place to members of the Board of Supervisors of the Bank.

Senior management members

On 20 February 2025, due to change of work arrangements, Mr. Liu Cheng resigned from his position as President of the Bank. The resignation became effective from 20 February 2025.

On 20 February 2025, the Board of Directors of the Bank reviewed and adopted a proposal on appointing Mr. Lu Wei as President of the Bank. On 21 April 2025, Mr. Lu Wei officially assumed as President of the Bank as approved by the NFRA.

On 10 March 2025, due to change of work arrangements, Mr. Lü Tiangui resigned from his position as Vice President of the Bank. His resignation became effective from 10 March 2025.

On 18 March 2025, Mr. Gu Lingyun officially assumed as Vice President of the Bank as approved by the NFRA.

On 8 May 2025, the Board of Directors of the Bank reviewed and adopted a proposal on appointing Mr. Jin Xinian as Vice President of the Bank. On 4 August 2025, Mr. Jin Xinian officially assumed as Vice President of the Bank as approved by the NFRA.

3.1.3.3 Changes in Information of Directors, Supervisors and Senior Management Members

Mr. Lu Wei, an executive director and President of the Bank, has served as a director of CITIC International Financial Holdings Limited since March 2025, a director of JSC Altyn Bank since May 2025, Vice President of the 9th Executive Council of the China Banking Association since June 2025, and a director of China CITIC Bank International Limited since July 2025.

Mr. Wang Yankang, a non-executive director of the Bank, has been appointed as a director of Shanghai Tobacco Group Co., Ltd., China Tobacco Jiangsu Industrial Co., Ltd., China Tobacco Anhui Industrial Co., Ltd., and China Tobacco Fujian Industrial Co., Ltd. starting from July 2025. From July 2025, he no longer served as the director of the State-owned Asset Management Division of the State Tobacco Monopoly Bureau's Financial Management and Supervision Department (Audit Department).

Mr. Zhang Chun, an employee supervisor of the Bank, became the general manager of the Culture and Labor Union Department of the Bank starting from May 2025 and simultaneously ceased to serve as the deputy General Manager (presiding) of the Culture and Labor Union Department of the Bank.

Mr. Xie Zhibin, Vice President of the Bank, has served as executive director of the 8th Council of the China Numismatic Society since July 2025 and as the the Chairman of CITIC aiBank Corporation Limited since August 2025.

Mr. Gu Lingyun, Vice President of the Bank, has served as Vice President of the 9th Council of China Chamber of International Commerce since June 2025.

Mr. Wang Huacheng, an independent non-executive director of the Bank, no longer served as an independent director of Tsinghua Tongfang Co., Ltd.

Ms. Zeng Yufang, an employee supervisor of the Bank no longer served as the Vice President of Guangzhou Branch. She was appointed as Vice President of the Bank's Credit Card Center, and will take office upon the qualification approval from regulatory authorities.

3.1.3.4 Work Performance of Independent Directors and External Supervisors

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 the right to make decisions in accordance with laws and regulations. They earnestly participated in the general meetings, meetings of the Board of Directors and its special committees, and special meetings of independent directors. They also made independent, professional and objective judgments, and expressed objective, fair and independent opinions, safeguarding 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.

The external supervisors of the Bank were free from the influence of substantial shareholders, senior management members, other entities or individuals with a stake in the Bank during their supervision. They paid attention to safeguarding the legitimate rights and interests of minority shareholders and other stakeholders, and were able to perform their supervisory duties independently. The Bank guaranteed the external supervisors' right to know, provided them with necessary information for duty performance in a timely and complete manner, and provided necessary working conditions for their duty performance. During the reporting period, the external supervisors of the Bank spent sufficient time and energy to perform their duties. They attended the meetings of the Board of Supervisors and general meetings, and were present at onsite meetings of the Board of Directors and its special committees as non-voting attendees, participated in thematic surveys of the Board of Supervisors, carried out annual duty performance interviews with directors and senior management members, and communicated regularly with external auditors to proactively understand the Bank's operation and management dynamics, study and analyze the materials on various proposals and reports, exchange views with the Board of Directors and senior management on concerned matters, made independent, professional and objective judgments, and put forward opinions and comments, thereby effectively enhancing the quality and efficiency of the supervision by the Board of Supervisors.

3.1.4 Profit Distribution

The formulation and implementation of the Bank's cash dividend policy complies with the Articles of Association of the Bank and the requirements of the resolutions adopted by the general meeting. The dividend standards and proportions are clear and definite, and the decision-making process and mechanism are complete. The 2024 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 of the A shareholders holding less than 5% of the shares at the 2024 Annual General Meeting convened on 20 June 2025, effectively protecting the rights and interests of minority shareholders.

3.1.4.1 Profit Distribution Plan for 2024

Upon review and approval by the general meeting, the Bank paid dividends of ordinary shares for 2024 in cash to the A shareholders on the register as at 9 July 2025 and the H shareholders on the register as at 2 July 2025. The cash dividend was RMB1.722 (tax-inclusive) per 10 shares, with a total amount of RMB9.582 billion of cash dividends for ordinary shares. The 2024 profit distribution plan of the Bank was explained in detail in the 2024 Annual Report, documents of the 2024 Annual General Meeting, the H-share circular of the 2024 Annual General Meeting, the announcement on the implementation of dividend distribution of A ordinary shares for the year 2024, and the announcement on poll results of the 2024 Annual General Meeting. 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).

3.1.4.2 Interim Profit Distribution Plan for 2025

The consolidated net profit attributable to shareholders of the Bank for the first half of 2025 was RMB36.478 billion, and the consolidated net profit attributable to ordinary shareholders of the Bank excluding interests on undated bonds was RMB34.072 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 RMB1.88 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 2025, the total interim cash dividends for ordinary shareholders shall be RMB10,461,290,505.64 (tax inclusive), accounting for 28.68% of the consolidated net profit attributable to shareholders of the Bank for the first half of 2025 and 30.70% 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 change. Cash dividends shall be denominated and declared in Renminbi and paid to A shareholders in Renminbi and to H shareholders in Renminbi or its equivalent in Hong Kong dollar to H shareholders. 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 general meeting (inclusive of the date of the general meeting), where the Bank reviews the interim profit distribution plan for 2025.

The 2025 interim profit distribution plan (the "Plan") 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 and the meeting of Board of Supervisors convened on 27 August 2025, and shall be submitted to an extraordinary general meeting for approval. It is expected that the Bank will pay the 2025 interim dividends for ordinary shares to its ordinary shareholders within two months after adoption of the Plan by the extraordinary general meeting. Relevant decision-making procedures and mechanisms of the Plan are complete. The Bank proposed to pay the 2025 interim dividends to H shareholders on 29 December 2025 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 opinion on the Plan as follows: the Bank's 2025 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 general meeting of the Bank for deliberation.

For details of the 2025 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 2025.

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

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

3.1.6 Information on Staff and Affiliates

3.1.6.1 Number and Mix of Employees, and Affiliates

As at the end of the reporting period, the Group had 65,248 employees, including 64,271 under labor contracts with the Group and 977 dispatched to the Group or hired with letters of engagement by the Group. Male and female employees (senior management included) accounted for 45.19% and 54.81% of the total, respectively. The Group bore fees for 3,398 retirees.

The Bank's Affiliates List (subsidiaries not included)

Division of region	Name of the affiliate	Business address/Postal code	Number of outlets	Number of employees	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	6,215	3,231,047
	Credit Card Center	Address: CITIC Bank Building, No. 121 Fuhua 1st Road, Futian Street, Futian District, Shenzhen, Guangdong Province Postal Code: 518048	1	5,172	453,557
Bohai Rim	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	83	3,652	1,429,637
	Tianjin Branch	Address: A5 No. 162 Zhangzizhong Road, Heping District, Tianjin Postal Code: 300020	38	1,006	102,373
	Shijiazhuang Branch	Address: CITIC Tower, No. 10 Ziqiang Road, Qiaoxi District, Shijiazhuang, Hebei Province Postal Code: 050000	65	1,909	165,534
	Ji'nan Branch	Address: CITIC Plaza, No. 150 Leyuan Street, Jinan, Shandong Province Postal Code: 250002	51	1,689	153,640
	Qingdao Branch	Address: No. 22 Hong Kong Middle Road, Qingdao, Shandong Province Postal Code: 266071	53	1,712	152,131
	Dalian Branch	Address: No. 29 Renmin Road, Zhongshan District, Dalian City, Liaoning Province Postal Code: 116001	24	768	46,947

Division of region	Name of the affiliate	Business address/Postal code	Number of outlets	Number of employees	Total assets (RMB million)
Yangtze River Delta	Shanghai Branch	Address: B1, Room 101-1 1/F, 201-2 2/F, 302-4 3/F, 4F, 9-15/F, No. 112 & 138 Expo Road, Pudong New Area, Shanghai Postal Code: 200126	61	2,340	619,609
	Nanjing Branch	Address: CITIC Tower, No. 348, Zhongshan Road, Nanjing, Jiangsu Province Postal Code: 210008	86	3,472	540,226
	Suzhou Branch	Address: West Building, Business Center, Financial Harbor, No. 266 East Suzhou Avenue, Suzhou Industrial Park, Suzhou, Jiangsu Province Postal Code: 215028	29	1,303	206,312
	Hangzhou Branch	Address: No. 9 Jiefang East Road, Shangcheng District, Hangzhou, Zhejiang Province Postal Code: 310016	98	4,365	690,399
	Ningbo Branch	Address: CITIC Tower, No. 36, Zhenming Road, Haishu District, Ningbo, Zhejiang Province Postal Code: 315010	29	913	134,703
Pearl River Delta and West Straits	Fuzhou Branch	Address: Hengli Financial Center, No. 6, Guanfengting Street, Gulou District, Fuzhou, Fujian Province Postal Code: 350000	54	1,562	112,194
	Xiamen Branch	Address: 334-101, 201, 301, 401, Hubin South Road, Siming District, Xiamen, Fujian Province Postal Code: 361000	18	468	38,955
	Guangzhou Branch	Address: CITIC Plaza, No. 233, Tianhe North Road, Tianhe District, Guangzhou, Guangdong Province Postal Code: 510613	107	3,501	507,673
	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	54	1,921	441,835
	Haikou Branch	Address: Banshan Garden, No. 1 Jinmao Middle Road, Longhua District, Haikou, Hainan Province Postal Code: 570125	11	358	30,725
Central China	Hefei Branch	Address: No. 396, Huizhou Avenue, Baohe District, Hefei, Anhui Province Postal Code: 230001	42	1,303	145,835
	Zhengzhou Branch	Address: CITIC Bank Building, No. 1 Business Inner Ring Road, Zhengdong New District, Zhengzhou, Henan Province Postal Code: 450000	85	2,383	245,291
	Wuhan Branch	Address: CITIC Tower, No. 747 Jianshe Avenue, Hankou, Wuhan, Hubei Province Postal Code: 430000	52	1,663	219,780
	Changsha Branch	Address: No. 1500 Third Section of Xiangjiang North Road, Kaifu District, Changsha, Hunan Province Postal Code: 410011	41	1,242	125,527
	Nanchang Branch	Address: Building D3, Lvdi Central Plaza, No. 998, Hongguzhong Avenue, Honggutan District, Nanchang, Jiangxi Province Postal Code: 330038	23	793	99,096
	Taiyuan Branch	Address: 1-17/F, Building 31, No. 65 Pingyang Road, Xiaodian District, Taiyuan, Shanxi Province Postal Code: 030006	32	985	70,137

Division of region	Name of the affiliate	Business address/Postal code	Number of outlets	Number of employees	Total assets (RMB million)
Western China	Chongqing Branch	Address: No. 5 Jiangbeicheng West Avenue, Jiangbei District, Chongqing Postal Code: 400020	31	1,184	148,194
	Nanning Branch	Address: No. 36-1, Shuangyong Road, Qingxiu District, Nanning, Guangxi Zhuang Autonomous Region Postal Code: 530021	20	568	56,798
	Guiyang Branch	Address: North Second Tower, BL Zone, Guizhou Financial City, Changling North Road, Guanshanhu District, Guiyang, Guizhou Province Postal Code: 550081	15	447	41,630
	Hohhot Branch	Address: CITIC Tower, Ruyihe Avenue, Ruyi Development Area, Hohhot, Inner Mongolia Autonomous Region Postal Code: 010010	30	831	45,307
	Yinchuan Branch	Address: No. 160 Beijing Middle Road, Jinfeng District, Yinchuan, Ningxia Hui Autonomous Region Postal Code: 750002	8	255	20,420
	Xining Branch	Address: Building 2, Shengshida Financial Center, Wenyuan Road No.1, Chengxi District, Xining, Qinghai Province Postal Code: 810008	9	230	13,152
	Xi'an Branch	Address: No. 1, Middle Section of Zhuque Road, Xi'an, Shaanxi Province Postal Code: 710061	41	1,172	99,884
	Chengdu Branch	Address: La Defense Tower, No. 1480 North Section of Tianfu Avenue, High-Tech Zone, Chengdu, Sichuan Province Postal Code: 610042	46	1,509	201,924
	Urumqi Branch	Address: CITIC Bank Tower, No. 165, Xinhua North Road, Urumqi, Xinjiang Uygur Autonomous Region Postal Code: 830002	12	410	30,633
	Kunming Branch	Address: Fulin Square, Baoshan Street, Wuhua District, Kunming, Yunnan Province Postal Code: 650021	30	862	76,852
	Lanzhou Branch	Address: No. 9 Minzhu West Road, Chengguan District, Lanzhou, Gansu Province Postal Code: 730000	13	346	23,130
	Lhasa Branch	Address: No. 22 Jiangsu Road, Lhasa, Tibet Autonomous Region Postal Code: 850000	2	123	10,749
Northeastern China	Harbin Branch	Address: CITIC Tower, No. 236, Hongqi Avenue, Nangang District, Harbin, Heilongjiang Province Postal Code: 150000	18	521	32,608
	Changchun Branch	Address: No. 718, Jiangong South Road, Chaoyang District, Changchun, Jilin Province Postal Code: 130000	21	499	46,069
	Shenyang Branch	Address: No. 336, Daxi Road, Shenhe District, Shenyang, Liaoning Province Postal Code: 110014	45	1,361	59,992
Overseas	London Branch	5th Floor, 99 Gresham Street, London, EC2V 7NG, UK	1	43	22,438
	Hong Kong Branch	80 FL. International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong	1	1	4,386
	Sydney Representative Office	Level 27, Gateway, 1 Macquarie Place, Sydney, NSW 2000, Australia	1	4	–

Notes: (1) Except employees listed in the above table, the Bank seconded 4 employees to JSC Altyn Bank.
(2) The Credit Card Center mentioned in the above table had 77 sub-centers.
(3) The "total assets" in the above table did not deduct the offset balance between affiliates.

3.1.6.2 Remuneration Policy

The Bank adopted a remuneration distribution mechanism for employees with position and title system as the foundation and with performance contribution and competence demonstration as the measurement 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. Employee remuneration consists of basic salary and performance-based remuneration, with the former determined by employees' job responsibilities and abilities in duty performance, and the latter linked to the Bank's overall operating results and employees' personal performance and duty performance abilities.

To refine the performance-based remuneration management system and improve the incentive and constraint mechanism, the Bank established a deferred payment and recourse and deduction 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 recourse and deduction of performance remuneration, the deferred portion of their remuneration would be subject to the Bank's applicable regulations, to ensure that the level and structure of employees' remunerations are consistent with risk exposure and duration.

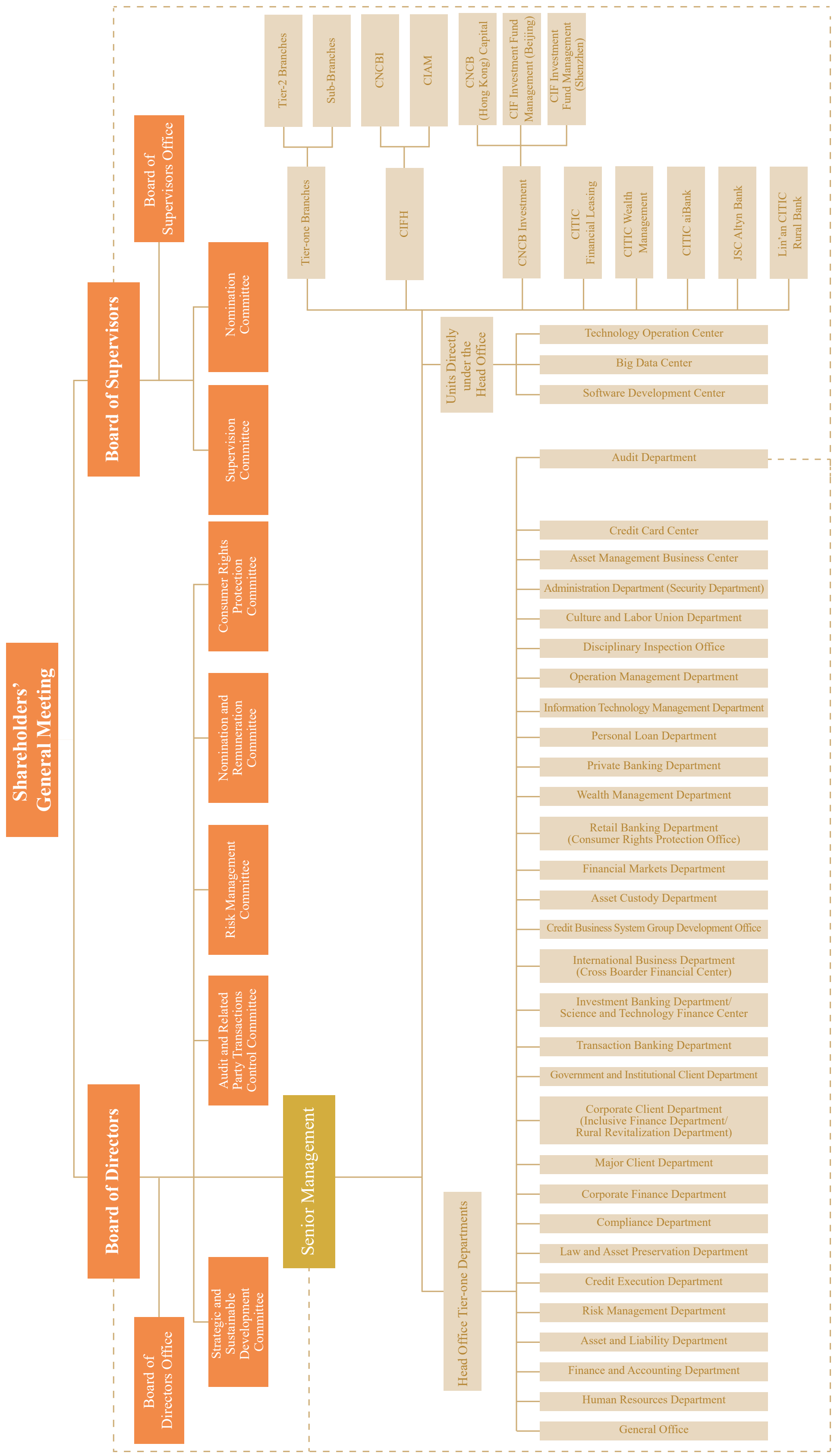
3.1.6.3 Team Building and Employee Training

To build a strong talent base, the Bank implemented a talent allocation mechanism centered on value creation and coordinating the quantity, quality, structure, and efficiency of its workforce. Strengthening the human resources philosophy driven by value growth, the Bank continued to improve talent allocation in strategically important regions and key business areas, while advancing the science-based selection and training of internal talent and recruitment of external talent. In line with the development plan of the Bank and the 14th five-year plan for talent development, the Bank systematically advanced the talent development program "Sailing a Hundred Ships", across the Bank selecting and training management teams, technical professionals, management trainees, Party-building talents, and tellers at various levels.

The Bank attaches great importance to enhancing the comprehensive capabilities of its employees. During the reporting period, it established a "three-tiered, three-pronged"[48] digital capability training and certification system, systematically fostering digital thinking and skills across the workforce and accelerating the cultivation of multi-skilled talent with business, technology, and data expertise. Qualification certification examinations continued to be organized for all positions to address the learning and development needs of employees at different levels and in diverse positions, thereby enhancing professional competence across the Bank. For management personnel, targeted programs such as digital transformation workshops for mid-level executives and pre-job training for newly appointed sub-branch presidents were delivered according to different "pre-job" and "in-position" stages, aimed at strengthening managerial, professional, digital, and operational capabilities. In addition, the Bank organized thematic training on Party consciousness and model Party member training to guide Party members and cadres in establishing sound perspectives on business operations, performance, and risk.

[48] The "three tiered" refers to elementary, intermediate, and advanced certification levels, aimed at enhancing knowledge, improving skills, and reinforcing practical capabilities for the management personnel. The "three pronged" corresponds to the concurrent development of the information, data, and intelligence-based digital transformation of the Bank, with training programs designed around the full process of data value creation.

3.1.6.4 Organizational Chart



3.2 Environment Information

Closely following the national strategic directions, the Bank has always practiced the philosophy of green development, actively tackled challenges from climate change, constantly refined the systems and mechanisms related to green finance, vigorously developed green finance businesses such as green credit and green bonds, proactively explored green finance product innovation, and continuously improved the integrated services of green finance. The Bank actively pushed forward relevant measures for green operation, advocated "green office", strengthened "carbon footprint" accounting, and facilitated the realization of "carbon peaking" and "carbon neutrality" goals. Neither the Bank nor its major subsidiaries were included into the list of enterprises which shall disclose environment information according to relevant laws.

3.2.1 Green Finance

Special Column **Green Finance**

The Bank rigorously implemented the CPC Central Committee's major strategic plans on "carbon peaking" and "carbon neutrality", and fully implemented regulatory requirements on green finance. Dedicated to advancing the green and low-carbon transformation of the real economy, the Bank has embedded green development principles into its business strategy. Guided by the overarching goal of promoting green finance, the Bank has established a "Five Pronged" green finance service framework, which includes green consulting, green investment, green financing, green living, and carbon management, optimized its working mechanisms, strengthened product innovation, and deepened coordination to continuously enhance the quality and efficiency of its green finance services.

Green management systems and mechanisms have grown increasingly sophisticated. The Board of Directors, Board of Supervisors, and senior management placed great emphasis on green finance development, incorporating green finance responsibilities into the Strategic and Sustainable Development Committee of the Board of Directors. The Bank has established a Green Finance Leading Group, headed by the Chairman of the Board of Directors. At the Head Office, it has set up a dedicated function for coordinating and advancing green finance, along with a specialized green finance division providing robust institutional support for business development. The Bank continued to enhance a multi-tiered, three-dimensional green finance service system featuring green demonstration institutions at both the Head Office and branch levels, specialized green finance branches, and carbon-neutral outlets. To date, the Bank has established Yangshan Green Sub-branch in Xinyang, Henan Province, Anji Green Sub-branch in Huzhou, Zhejiang Province, and one carbon-neutral outlet.

Special Column **Green Finance**

Significant progress has been made across all green finance businesses. During the reporting period, the Bank leveraged its "Five Pronged" green finance service framework and "1+N+N" green finance product system[49] as key drivers to improve the quality and efficiency of green finance business. As at the end of the reporting period, the Bank's outstanding green loans totaled RMB701.415 billion, an increase of RMB100.850 billion or 16.79% over the end of the previous year. Key sectors served included green infrastructure upgrading, energy-saving and carbon-reduction industries, the green and low-carbon transition of the energy sector, and ecological protection, restoration and utilization. During the reporting period, the Bank issued RMB5.0 billion in green finance bonds, and allocated RMB16.754 billion in financial leasing to green sectors. In terms of green living, users of the CITIC Carbon Account reached 25,832.9 thousand, an increase of 4,276.2 thousand from the end of the previous year. Additionally, the Bank established the industry's first employee carbon inclusive platform.

Differentiated service capabilities have been built through proactive innovation. Fulfilling its social responsibility as a financial institution, the Bank continuously empowered the real economy's green transition via innovative financial instruments. During the reporting period, the Bank issued China's first syndicated loan dedicated to the transition of the building materials industry, actively promoted sustainability/ESG-linked loans, and directly tied corporate financing costs to emission reduction performance, thereby facilitating green and low-carbon industrial development with financial strengths. Furthermore, the Bank launched the banking industry's first green and low carbon management platform, which features core modules such as organizational carbon emissions management, product carbon footprint management, the European Union's Carbon Border Adjustment Mechanism (CBAM) reporting management, and employee carbon account management, aimed at providing comprehensive digital support for corporate carbon governance.

Efforts to expand the green customer base and ecosystem have been enhanced. The Bank remained committed to delivering integrated financial services to customers across diverse green sectors, including clean energy, green manufacturing, environmental protection, resource recycling and utilization, green building, and green transportation. As at the end of the reporting period, the Bank extended green loans to 5,765 customers. It also strengthened its green ecosystem, enhanced partnerships with organizations such as the Institute of Finance and Sustainability and the China Federation of Industrial Economics, and actively supported enterprises in their green and digital transformation. The Bank's CSI ESG rating remained at AAA, the highest level, and its MSCI ESG rating stood at A. For two consecutive years, it has been recognized among CCTV Finance's "Top 30 ESG Listed Companies in China's Financial Industry".

49 Refers to green finance products offered by CITIC Bank as the principal entity, plus green finance products provided by CITIC Bank's subsidiaries and green finance products supplied by CITIC Group's affiliated financial subsidiaries.

The Bank's green performance during the reporting period is summarized as follows:

Green product	Details
Green credit	As at the end of the reporting period, the Bank's outstanding green loans stood at RMB701.415 billion, representing a year-on-year increase of 16.79%. The balance of green and sustainable loans of the Bank's subsidiary, CNCBI, reached HKD17.223 billion, up by 14.11% from the end of the previous year.
Green bonds	**Issuance:** During the reporting period, the Bank issued RMB5.0 billion green finance bonds in domestic, with proceeds primarily allocated to new energy power generation, high-efficiency energy storage, and green transportation. As at the end of the reporting period, the balance of the Bank's domestic green finance bonds stood at RMB45.0 billion. In addition, the Bank had USD300 million overseas green bonds outstanding. **Underwriting:** During the reporting period, the Bank underwrote several green bonds for clients, covering various issuers including central and state-owned enterprises, private enterprises, and financial institutions, with raised funds directed toward green sectors such as renewable energy power generation, energy conservation and environmental protection, and rail transit. The Bank's overseas subsidiary, CNCB Investment, participated in the underwriting of 39 overseas green, social responsibility, and sustainability bonds, with an aggregate transaction value equivalent to USD10.5 billion. **Investment:** As at the end of the reporting period, the Bank continuously made investment in green bonds covering a variety of instruments including green asset-backed securities and green finance bonds, so as to actively support the development of green economy.
Green deposits	During the reporting period, 79 structured deposit products linked to green finance bonds were issued, raising RMB14.8 billion to expand the range of green investment available to investors and channel 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, green-themed, and other green finance-related wealth management products under management totaled RMB21.861 billion.
Green leasing	CITIC Financial Leasing, the subsidiary of this Bank, vigorously supported financing for green industries including clean energy, energy conservation and environmental protection, and green transportation. During the reporting period, green leasing business amounted to RMB16.754 billion, primarily concentrated in photovoltaic power generation, new energy logistics vehicles, and new energy battery manufacturing.
Green consumption	As the first bank-led personal carbon reduction account in China, the "CITIC Carbon Account" employs scientific methodologies to quantify individual carbon reduction, achieving digitization, visualization, assetization, and valuation of sustainable consumption behaviors. By the end of the reporting period, the user base of the "CITIC Carbon Account" reached 25,832.9 thousand, with cumulative carbon reductions of 198,000 metric tons, realizing carbon emission in 19 financial and low-carbon consumption scenarios.

3.2.2 Green Operation

The Bank steadfastly implemented the national carbon peaking and carbon neutrality strategy, and practiced the principles of green and low-carbon development. It integrated sustainability into the Bank's full process of operational management. Based on system development, the Bank adopted comprehensive approaches covering areas such as official vehicle management, energy management, energy conservation in buildings, and guidance of employee conducts to normalize energy-saving and emission-reduction in office operations.

In terms of system development, in compliance with the *Environmental Protection Law of the People's Republic of China* and related laws and regulations, the Bank established a solid foundation for green operation management by formulating a number of policies such as the *Green Office Guidelines of China CITIC Bank*, the *Official Vehicle Use Norms of China CITIC Bank*, and the *Office Supplies Management Measures of China CITIC Bank (for Trial Implementation)*. The Bank continuously enhanced the carbon management system in its operation, reinforced the development of a specialized talent team, conducted carbon accounting for its operation within the consolidated reporting scope, and integrated carbon emission data quality into performance evaluations, continuously improving carbon management effectiveness.

In terms of the use of official vehicles, the Bank strictly followed the regulations on the specification and quantity of official vehicles, continued to strengthen the management for the use of official vehicles, reduced the use of official vehicles through dual management and control measures of policy regulations and system tools, rigorously enforced the ban on the use of official vehicles during holidays, and promoted energy-efficient driving practices among drivers.

In terms of energy management, the Bank adopted energy-saving electric appliances such as lights and projectors. At the Head Office building, air conditioning systems were centrally controlled, which automatically shut down during non-working hours and set a minimum temperature in summer, effectively reducing energy consumption. Additionally, lighting fixtures were programmed to switch off automatically, and office equipment such as fax machines and copy machines was set to power-saving modes on schedule and was fully powered down after work.

In terms of energy conservation in buildings, the Bank's information technology research and development base and the (Hefei) financial back-office service center both obtained the certificate of three-star green building design label. At the information technology research and development base, solar water heaters were adopted for office buildings, and the heating and ventilation system in machine room buildings operated in a mode dominated by water chilling units and supplemented by air-cooled units, both effectively reducing energy consumption. Energy-saving and environment-friendly measures were comprehensively incorporated into the (Hefei) financial back-office service center during its construction phase. Natural lighting was adopted and renewable energy was fully used, with the energy efficiency rate for buildings reaching 65%.

In terms of office operations, it prioritized the reuse of furniture to minimize new purchases. Audio-visual conference systems were equipped with movable display devices to support multi-purpose use, thereby avoiding redundant purchases. Printers were configured to default to black-and-white, double-sided printing, with stringent controls on the scope of color printing. The Bank also vigorously promoted paperless office practices, significantly reducing unnecessary printing.

In terms of guidance of employee conducts, the Bank implemented a range of energy-saving initiatives to actively encourage employees to reduce consumption and waste. Digital green office posters were produced and displayed in a loop across multiple electronic screens throughout office areas to raise energy conservation awareness. Lighting switches were labeled with reminders such as "Please Turn Off the Lights". The Bank also optimized the drinking water supply system by advocating the use of personal water bottles, increased inspections in restrooms to ensure that faucets were turned off promptly, and encouraged employees to participate in the "Clean Your Plate" campaign.

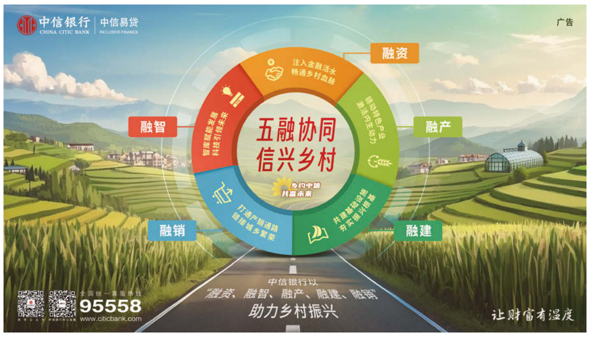
3.3 Fulfillment of Social Responsibilities

The Bank has consistently regarded fulfilling its social responsibilities as the core mission of the corporate development, continuously serving national strategies, safeguarding customer rights, supporting employee growth, and protecting investor interests. Committed to supporting national strategies, the Bank channeled financial resources to key areas of rural revitalization in a targeted manner. Upholding the core principle of protecting consumer rights, it has established a full-process consumer rights protection system. By safeguarding employee rights, the Bank achieved mutual growth with its employees. Focusing on enhancing market value, it continuously improved transparency in information disclosure and strengthened communication with investors. In doing so, the Bank fulfilled its responsibilities as a state-owned financial institution.

3.3.1 Support for Rural Revitalization

During the reporting period, the Bank earnestly implemented the guiding principles of the 2025 No.1 central documents and regulatory requirements, studied and put into practice the experience gained from the "Green Rural Revival Program", and committed to the business philosophy of "focusing on key aspects and highlighting characteristics" to continuously enhance the quality and efficiency of its financial services for rural revitalization.

During the reporting period, the Bank **stayed focused on key aspects**. Guided by the "Integration of Five Policies", it formulated review and approval criteria for industries with regional characteristics such as agricultural fertilizers, agricultural machinery, and highland agriculture in key sectors such as agriculture, forestry, animal husbandry and fishery, devised and improved comprehensive financial service solutions for key customer groups such as rural revitalization groups and new farmers, and strengthened policy support and implementation around critical regions like China's top 100 counties. By deepening channel connection, it carried out "Rural Revitalization Month" and other marketing campaigns to continuously increase credit support. Meanwhile, the Bank **remained committed to the synergistic advantages**. Further leveraging the synergy across CITIC Group, it worked to improve a coordinated service system that integrates "financing, intelligence, industry, construction and sales"[50] and created a coordinated repository for the system, covering key areas such as high-standard farmland construction, agricultural technology, and agricultural product distribution. It implemented projects under the innovative model of "bank-futures-insurance" and introduced rural revitalization-themed wealth management products, effectively addressing the diverse needs of enterprises.



As at the end of the reporting period, the Bank had 67.9 thousand accounts of agriculture-related customers, up by 4.0 thousand accounts compared to the beginning of the year. Agriculture-related loans amounted to RMB495.215 billion, an increase of RMB49.297 billion or 11.06% from the beginning of the year. Among them, the balance of agriculture-related inclusive loans[51] amounted to RMB45.039 billion, representing an increase of RMB3.618 billion or 8.74% compared with the beginning of the year. Loans issued to key areas such as agriculture, forestry, animal husbandry and fishery, rural infrastructure, food security and new-type agricultural operation entities all recorded sound growth.

Targeted Assistance with Financial Services

The Bank proactively fulfilled its responsibilities as a state-owned financial enterprise. To make sure that poverty relief responsibilities, policies, assistance, and monitoring continue even after a county is removed from the poverty list, it maintained overall supporting policies and efforts stable, effectively consolidating and expanding achievements made in poverty alleviation.

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50 "Financing" refers to closely aligning with customers' production and operational scenarios to meet their diverse financing needs. "Intelligence" focuses on customers' industrial planning scenarios by providing specialized consulting services. "Industry" centers on business development scenarios to support the upgrading of the agricultural industry. "Construction" delivers one-stop infrastructure services tailored to agricultural construction needs. "Sales" refers to expanding agricultural product sales channels around product distribution scenarios by combining online and offline platforms.

51 Due to changes in statistical scope, the beginning-of-period baseline has been adjusted accordingly.

During the reporting period, the Bank strengthened support for credit supply, with a focus on industrial and employment assistance. Taking into account regional resource endowments, it increased credit support for specialty industries in areas lifted out of poverty and key counties receiving paired assistance, while actively advancing micro credit for the people lifted out of poverty. The Bank scaled up product and service support, promoted online service channels such as mobile banking and supply chain finance, innovated localized credit products with regional characteristics, diversified wealth management services, and provided one-stop, comprehensive financial services. The Bank enhanced policy and resource support, put in place performance assessments and loan subsidies, specified requirements for risk tolerance, and implemented due diligence and liability exemption policies.

As at the end of the reporting period, the Bank's balance of loans for targeted assistance with financial services stood at RMB39.544 billion, an increase of RMB1.125 billion over the end of last year, and the number of customers with outstanding loans was 946.4 thousand. During the reporting period, the risk interest rate of loans newly issued was basically balanced.

Diverse Assistance

The Bank continued to carry out **paired poverty alleviation** in 56 villages nationwide, including Aksu City of Xinjiang, Tanchang County of Gansu Province, Lingqiu County of Shanxi Province, Huai'an County of Hebei Province, and Xide County of Sichuan Province. Through a combination of financial support, talent deployment, project assistance, and assistance through consumption, the Bank improved infrastructure conditions in supported regions, effectively consolidating and expanding the outcomes of poverty alleviation. These efforts contributed to advancing industrial development, strengthening primary-level governance, and enhancing public service standards. To strengthen the overall coordination of paired assistance, during the reporting period, the Bank issued the *Guidelines for Paired Assistance of China CITIC Bank*, aimed at optimizing workflows, enhancing project implementation, and making its assistance efforts more systematic, targeted, and standardized.

The Bank continued to promote **consumption-driven assistance initiatives** across the Bank. During the reporting period, leveraging union welfare funds, marketing expenses, and administrative budgets, the Bank facilitated the sales of agricultural and sideline products from areas lifted out of poverty, with total transactions amounting to RMB20.0086 million.

In the area of charitable assistance, the Bank continued to mobilize employees to participate in charitable sales, donations, environmental protection, disaster relief, care visits, and other philanthropic and volunteer activities, actively supporting disadvantaged groups and reinforcing its image as a responsible, caring, and committed enterprise. The Head Office organized the employees to donate 6,313 items, including clothing and daily necessities, to people in need in assisted villages. It also launched the 2025 Spring Voluntary Tree-Planting Initiative, with employees donated over RMB150,000. A total of 99 employees engaged in seedling nurturing and maintenance, volunteer services, and other tree-planting activities, planting and tending 8,039 trees.

3.3.2 Consumer Rights Protection

The Bank has consistently upheld the political and people-oriented nature of financial work, fully implemented regulatory requirements, and established a comprehensive, end-to-end framework encompassing pre-event, in-event, and post-event stages. Committed to delivering caring financial services, it continued to advance the high-quality development of financial consumer protection.

During the reporting period, the Bank made relentless efforts in mechanism and system development for consumer rights protection, incorporated the consumer rights protection in the list of "three priorities and one major" items of China CITIC Bank, and submitted relevant work reports to the President' Executive Meeting, the Party Committee and the Board of Directors for decision-making. During the reporting period, 7 meetings were held by the Consumer Rights Protection Working Committee of the Head Office, the Consumer Rights Protection Committee of the Board of Directors and the Board of Supervisors, to strengthen the top-level guidance for consumer protection efforts on all fronts. Directors, supervisors and senior management members listened to work reports on consumer rights protection, and made special arrangements for institutional building, complaint management, and sales management, among other key areas.

During the reporting period, the Bank took an active part in the centralized education and publicity campaigns organized by regulators, including the "3.15 Financial Consumer Rights Protection Education and Publicity Campaign", "Illegal Financial Activity Prevention Publicity Month", and "Financial Knowledge Popularization". On a cumulative basis, it carried out 8,941 activities, reaching consumers a total of 357 million times. Focusing on key population groups of the elderly, the young and new urban residents, the Bank continuously organized such themed education and publicity campaigns 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 outlets, and a series of activities such as "Spring Protection Campaign" and "Summer Anti-Fraud Campaign" were organized to effectively help consumers acquire financial knowledge.

During the reporting period, the Bank further advanced the digitalization of its complaint management efforts by implementing an integrated four pronged system that consolidates bank-wide "complaint data monitoring and analysis, regulatory reporting, quantitative indicators management for consumer protection evaluations, and complaint performance assessment". It developed and launched in phases source-based complaint governance tags along with corresponding system management functions, thereby fostering a long-term, source-oriented complaint governance framework. The Bank also established an escalation mechanism to improve one-time complaint resolution rates and continued to operate its major complaint early-warning and prevention mechanism, real-time complaint monitoring and supervision mechanism, and tiered, categorized complaint control mechanism. The mediation mechanism was leveraged extensively to ensure comprehensive coverage of all applicable cases.

During the reporting period, the Bank handled a total of 7,487 regulator-referred complaints[52], a year-on-year decrease of 13.14%. The top three business lines with the most complaints were credit cards (75.65%), personal loans (13.85%), and debit card account management (4.45%). Geographically, complaints were primarily concentrated in Guangdong, Shandong, and Jiangsu provinces[53].

3.3.3 Information Security and Privacy Protection

The Bank has established a top-down governance framework for data security and privacy protection. The Board of Directors is responsible for integrating data security into corporate governance, corporate culture, and business development strategies. It oversees and evaluates the comprehensiveness, timeliness, and effectiveness of data security management, as well as the duty performance of the senior management. The senior management is responsible for reviewing and approving data security management objectives and strategies, guiding the data security management across the Bank from a holistic perspective. The Information Technology Committee under the senior management is responsible for reviewing the Bank's information technology (IT) development plans and IT risk policies, reviewing and approving the Bank's major IT work policies, and coordinating for the resolution of major IT risks, etc. During the reporting period, the Board of Directors of the Bank deliberated on key issues concerning IT risks such as the *Information Technology Risk Management Report of China CITIC Bank for 2024*. The Information Technology Committee deliberated on key information security matters such as the *Information Security Management Report of China CITIC Bank for 2024*, and faithfully performed duties related to technology risk and information security governance.

The Bank attached great importance to data security and privacy protection. During the reporting period, it continuously 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 security education and training. During the reporting period, the Bank did not have any major data security incidents or customer information breaches.

52 Regulator-referred complaints are formal complaints referred to the Bank by the NFRA through the complaint management system. The figures reported here excluded duplicate cases.

53 For credit card business, complaints are attributed according to the jurisdiction of card-issuing sub-centers; for other business lines, complaints are attributed primarily based on the jurisdiction of the respective tier-one branches.

In terms of policy formulation, the Bank has formulated policies including the *China CITIC Bank Information Security Management Measures*, the *China CITIC Bank Data Security Management Measures*, the *China CITIC Bank Customer Information Protection Management Measures*, and the *China CITIC Bank Consumer Financial Information Protection Management Measures*, establishing a relatively well-developed data security governance framework. These policies specify security 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. During the reporting period, the Bank revised the *China CITIC Bank Data Security Management Measures* according to the requirements of the regulator, to further refine data security management requirements and regulate its data processing activities.

In terms of data security protection, the Bank has established a tiered data security policy framework and technical protection system in accordance with the relevant laws, regulations, regulatory requirements, industry standards, and internal security management needs. During the reporting period, the Bank aligned with new regulatory requirements and internal security needs to optimize its data security policies. The Bank enhanced data classification standards and differentiated management requirements to improve the precision of data security controls, proactively implemented measures such as data encryption and access control to safeguard data collection, usage, and provision, and strengthened its emergency management mechanism by conducting drills and refining contingency plans, thereby enhancing its capability to respond effectively 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 the principle of minimum scope, 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 and used data that is necessary for providing service, 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, 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 that wouldn't be used 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 system, including demands, design, development, testing, and release. During the reporting period, the Bank continuously conducted security tests and assessments to ensure data security protection was integrated throughout the information system development. It enforced stringent access control over information systems, limiting users' data access strictly according to the principle of "minimum scope" and granting access permissions based on "business necessity". Meanwhile, the Bank strengthened account management and recovery to mitigate risks of data misuse 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 on the technology line, it provided compliance warning education and technical training to improve their security skills. For all employees, it delivered security awareness education through online courses, simulated phishing exercises, and ransomware drills to strengthen overall security vigilance. For the general public, the Bank promoted cybersecurity knowledge through social media and other channels, effectively improving individuals' capabilities to guard against online fraud and enhancing their awareness to protect personal financial information.

3.3.4 Employee Rights Protection

In terms of employee development, the Bank fully safeguarded employees' development rights by establishing a career development system encompassing 3 tracks of management, professional techniques, and operational support. Each track features clear promotion pathways and channels for transfers and adjustments across different tracks and sub-tracks.

In terms of employee remuneration, the Bank's remuneration system is based on the principle of equal pay for equal work, 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 a multi-pillar pension and medical insurance framework, which includes enterprise annuities and supplemental medical insurance for contract employees. It has established various types of leaves, 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, ensuring that all staff received leaves and benefits in accordance with applicable policies.

In terms of employee expression channels, the Bank provided multiple channels for employees to communicate and submit suggestions, including the President's Mailbox, and the "VoiceUp" platform, proactively guiding and encouraging employees to provide genuine feedback, utilizing staff insights as critical inputs for optimizing internal operational processes. All employees could directly submit letters to the President's Mailbox. The senior management of the Bank consistently prioritized and carefully listen to the voices from staff, and multiple validated suggestions have been formally adopted and implemented. "VoiceUp" is a platform designed to collect and address primary-level business development issues, providing an effective channel for frontline employees to express their views."VoiceUp" establishes an end-to-end feedback response mechanism featuring "assured acknowledgment, transparent workflow, traceable outcome, and service evaluation". Both the processing workflow and final resolutions are organization-wide transparent. The platform fully respects employees' privacy and information security, and allows expression of opinions and suggestions under anonymity, nickname or real name, to make sure employees voice their opinions confidently, freely, and willingly. Since its launch in June 2022, it has attracted 5.00 million visits, received over 30,000 pieces of opinions and suggestions from primary-level employees, and responded timely to common concerns of employees.

3.3.5 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 over 200 periodic reports, interim 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.

3.3.6 Management of Related Party Transactions

During the reporting period, 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 to 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 upheld its management system that featured decision making by the Board of Directors, supervision by the Board of Supervisors, execution by the senior management, and division of duties among business units. The Bank effectively performed its obligations of reviewing and disclosing the related party transactions, submitted all material related party transactions to the Audit and Related Party Transactions Control Committee of the Board of Directors for review and to the Board of Directors for deliberation, disclosed such transactions, and reported to the NAFR, 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 Audit and Related Party Transactions Control Committee under the Board of Directors were independent directors. It carried out a preliminary review 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 continuously strengthened the management of related party transactions, and strictly implemented new regulatory policies on related party transactions of directors, supervisors, and senior management members. It enhanced dynamic management of related parties and the accuracy of related-party lists, while reinforcing compliance and effectiveness of related-party transaction process management to ensure that related party transactions were conducted in a compliant and orderly manner. **The Bank strictly implemented new regulatory policies on related party transactions of directors, supervisors, and senior management members**. It conducted in-depth impact analyses in alignment with the SSE's listing rules and the *Measures for the Administration of Related-Party Transactions of Banking and Insurance Institutions (2025 Amendment)* for strengthening the management of related party transactions of directors, supervisors, and senior management members, and promptly formulated feasible policy implementation plans to ensure effective compliance. **The Bank continuously enhanced the dynamic management of related parties and the accuracy of related-party lists**. It established a routine due diligence mechanism for identifying suspected related customers, strengthened supervision and education of related natural person information reporting, and issued the *Manual of Special Committees on Related Natural Person Management* to improve the timeliness and accuracy of related-party identification. **The Bank further strengthened the compliance and effectiveness in related party transaction process management**. It issued the *Notice on Further Strengthening Related Party Transaction Management Across the Bank*, implementing 13 targeted measures across five key areas including validating comprehensive related-party identification report, enhancing related party transaction analysis, standardizing transaction process management, strengthening data governance for related party transactions, and enforcing credit exposure limits compliance to enhance the compliance and effectiveness of the full process management of related party transactions.

3.3.7 Investor Relations Management

During the reporting period, the Bank, taking into account such factors as the market environment, corporate strategy, and development stage, actively responded to regulatory guidance by formulating and issuing a market value management policy and a valuation enhancement plan aligned with its business operations and management. These documents clarified the organization and implementation of market value management, the relevant work responsibilities, the application of market value management tools, as well as the share price monitoring and early warning mechanism, further strengthening the systematicness, continuity and penetration of market value management, helping stabilize investors' return expectations and enabling them to share in the Bank's value growth.

During the reporting period, the Bank's A+H share market value growth ranked among the top in the domestic banking industry. It abided by relevant requirements of the SSE and the SEHK, and solicited shareholders' opinions and suggestions through investor mailbox and hotline, SSE e-interactive platform and other channels. It published announcements ahead of the release of the annual and interim results to publicly solicit issues of concern from investors, strengthen exchanges with shareholders, protect the right to know and ensure the effectiveness of shareholders communication policy.

During the reporting period, the Bank held its 2024 annual results release conference via live video streaming and onsite meeting, broadcasting the entire event via China CITIC Bank app and several other online platforms. Following the conference, the Bank publicized Q&A records in time for the investors who were unable to attend the conference to learn about the Bank's operation and management updates in time. After the regular results announcement, the senior management of the Bank led a team to conduct results roadshows in both home and abroad, meeting face-to-face with institutional investors in Beijing, Shanghai, Shenzhen, Hong Kong, Singapore, Australia, the United Kingdom, Germany, and other locations. These engagements effectively conveyed the Bank's investment highlights of "high dividends, steady growth, and strong resilience", while enabling the Bank to gain deeper insights into preferences of overseas investors.

During the reporting period, the Bank enhanced daily investor communication activities, including roadshows, investor meetings and surveys, as well as participating in strategy meetings organized by securities firms. 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 minority investors, the Bank designated employees to actively communicate with minority investors through interaction on the SSE e-interactive platform and answering questions from investors via hotline and email. It actively communicated with minority investors to convey the investment value of the Bank to investors who follow the Bank's development.

Additionally, pursuant to Rule 2.07A of Hong Kong Listing Rules, under the expansion of the paperless listing regime and electronic dissemination of corporate communications that came into effect on 31 December 2023, the Bank has adopted electronic dissemination of corporate communications. Both English and Chinese versions of all Corporate Communications were available electronically on the official websites of the Bank (www.citicbank.com) and HKEXnews (www.hkexnews.hk) to replace printed copies. Please refer to the notification letters disclosed by the Bank on the official websites of HKEXnews (www.hkexnews.hk) and the Bank (www.citicbank.com) on 23 February 2024 for relevant information.

For more information regarding the Bank's ESG performance, please refer to the *2024 Sustainability Report of China CITIC Bank Corporation Limited* disclosed by the Bank on the official websites of SSE (www.sse.com.cn), HKEXnews (www.hkexnews.hk) and the Bank (www.citicbank.com) on 26 March 2025, and relevant disclosures on the ESG section of the website of the Bank.

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 sale of treasury shares). As at the end of the reporting period, the Bank did not hold any treasury shares.

4.2 Material Contracts and Their Performance

4.2.1 Material Custody, Contracting and Leases

During the reporting period, the Bank neither incurred nor maintained any material custody, contracting, or leases of other companies' assets that required disclosure, nor were there any instances of other companies involving in the custody, contracting, or leases 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 needs to be disclosed.

4.2.3 Other Material Contracts

During the reporting period, the Bank did not sign any material contract 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 regulatory rules and guidelines of regulators such as the NFRA, SSE and 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 with terms no more favorable than those available to independent third parties, which satisfied 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 what has been disclosed under this sector, other related party transactions did not constitute connected transactions as per Chapter 14A of Hong Kong Listing Rules.

According to regulatory rules of the NFRA, the Bank submitted material related party transactions with related parties to the Audit and 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 timely filed them with the NFRA for record. According to regulatory rules of the SSE and the SEHK, the Bank strictly controlled related party transactions and businesses with applied annual caps of related party transactions were conducted within the caps. For the businesses without applied annual caps of 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 rules of the Ministry of Finance, the Bank accurately disclosed related party transactions information in the notes to the financial statements. On the base of quarterly reporting of credit extension and non-credit extension related party transactions to the Audit and 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 Audit and Related Party Transactions Control Committee of the Board of Directors and the Board of Directors held 2 meetings respectively concerning related party transactions, preliminarily reviewed and approved 3 proposals relevant to related party transactions, which were in relation to material related party transactions[54] and annual report on related party transactions, etc. The Bank simultaneously published 14 interim announcements on related party transactions on the websites of SSE and SEHK, and published 9 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.

4.4.2 Credit Extension Continuing Related Party Transactions

Based on business development needs, upon review at the 35th meeting of the 6th Session of the Board of Directors convened on 8 November 2023 and approval at the Second Extraordinary General Meeting of 2023 convened on 28 December 2023, the Bank applied to the SSE for the 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. which the Bank's related natural persons worked for. Based on business development needs, upon review and approval at the 35th meeting of the 6th Session 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 related party transactions with Quzhou Development and its associates[55]. Subject to the regulatory requirements applicable to the Bank, the 2025 annual caps 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 2025
CITIC Group and its associates	Credit Extension	Credit line	4,000
Quzhou Development and its associates			150
Cinda Securities Co., Ltd. which the Bank's related natural persons worked for			30

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 the 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 single related legal person or non-legal person organization belongs to and all related parties were all in compliance with above-mentioned regulatory requirements.

54 During the reporting period, the Board of Directors reviewed and approved 2 material related party transactions on 26 March 2025 and 29 April 2025, respectively, with a total amount of RMB115.673 billion, all of which were conducted with CITIC Group and its associates.

55 On 18 July 2024, Xinhu Zhongbao Co., Ltd. announced that its de facto controller changed into Quzhou Industrial Holding Group Co., Ltd. (Quzhou Industrial Group). Quzhou Industrial Group and its controlled enterprises became the Bank's related party under the NFRA accounting standards. On 23 August 2024, Xinhu Zhongbao Co., Ltd. was renamed as Quzhou Xin'an Development Co., Ltd. Accordingly, "Xinhu Zhongbao and its associates" changed into "Quzhou Development and its associates", which, under the SSE regulatory framework, specifically refers to the enterprises where directors appointed by Quzhou Development to the Bank concurrently serve as directors, supervisors or senior management members.

The Bank attached great importance to the day-to-day monitoring and management of related party credit extension transactions and ensured lawfulness and compliance of such transactions by enhancing relevant 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 balance of credit that the Group extended to all related enterprises[56] under the SSE regulatory criteria amounted to RMB135.578 billion, including RMB133.894 billion to CITIC Group and its associates, RMB1.544 billion to Quzhou Development and its associates, and RMB0.140 billion to Cinda Securities Co., Ltd. which the Bank's related natural persons worked for. Under the regulatory criteria of the NFRA, the total balance of credit that the Group extended to all related enterprises amounted to RMB148.703 billion, including RMB89.917 billion, RMB21.643 billion and RMB0.029 billion to enterprises within CITIC Group, Quzhou Development and China Tobacco, respectively, and RMB37.114 billion to other related enterprises. Such credit extensions to related enterprises were of good quality in general, with 3 being special mention loans (RMB0.828 billion), 5 being suspicious loans (RMB1.019 billion) and 2 being loss loans (RMB0.202 billion), and all others being performing loans. As such, these credit extension transactions exerted no material impact on the normal operation of the Group in terms of transaction volume, structure and quality. The credit extension businesses conducted between the Group and the aforementioned related parties were conducted on normal commercial terms within the caps and were executed with terms no more favorable than those available to independent third parties.

The Bank stringently followed the requirements of regulatory bodies such as 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 related loans between the Group and 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 35th meeting of the 6th Session of the Board of Directors convened on 8 November 2023 and approval at the Second Extraordinary General Meeting of 2023 convened on 28 December 2023, the Bank applied to the SSE and the SEHK for the annual caps on the eight main categories of non-credit extension continuing related party transactions with CITIC Group and its associates for the years of 2024 to 2026, and has entered into relevant continuing related party transactions framework agreements on the same day of the Board of Directors' meeting. Based on business development needs, upon approval at the 35th meeting of the 6th Session 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 non-credit extension continuing related party transactions with Quzhou Development and its associates for the years of 2024 to 2026. Upon review at the 35th meeting of the 6th Session of the Board of Directors convened on 8 November 2023 and approval at the Second Extraordinary General Meeting of 2023 convened on 28 December 2023, the Bank applied to the SSE for the annual caps on the four main categories of non-credit extension continuing related party transactions with Cinda Securities Co., Ltd. which the Bank's related natural persons worked for the years of 2024 to 2026. The non-credit extension transactions between the Group and the aforementioned related parties followed general commercial principles and were executed with 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:

56 China Tobacco is not a related party of the Bank under the regulatory criteria of the SSE.

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 owner-use movable and immovable properties, credit assets or other related assets during day-to-day operations, including but not limited to, buying or selling owner-use movable and immovable properties, 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; (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 of related party transactions on asset transfer were applied are as follows:

Unit: RMB100 million

Counterparty	Business type	Basis of calculation	Annual cap for 2025	Transaction amount in January – June 2025
CITIC Group and its associates	Asset Transfer	Transaction price	1,800	174.43
Quzhou Development and its associates			15	0

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

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 of related party transactions on comprehensive services were applied are as follows:

Unit: RMB100 million

Counterparty	Business type	Basis of calculation	Annual cap for 2025	Transaction amount in January – June 2025
CITIC Group and its associates	Comprehensive Services	Service fee expense/income	66	24.16

As at the end of the reporting period, the related party transactions on comprehensive services between the Group and the above-mentioned related party did not exceed the corresponding approved annual cap.

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 between them 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 Service 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 loans 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 of 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 2025	Transaction amount in January – June 2025
CITIC Group and its associates	Financial Consulting and Asset Management Services	Service fee income/ expense	180	15.17
Quzhou Development and its associates			0.5	0

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 cap.

4.4.3.4 Asset Custody and Account Management Services

Asset custody and account management services between the Group and related parties shall be delivered 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 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 of 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 2025	Transaction amount in January – June 2025
CITIC Group and its associates	Asset Custody and Account Management Services	Service fee income/ expense	30	6.64
Cinda Securities Co., Ltd. which the Bank's related natural persons worked for			0.01	0.0009

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 cap.

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 of related party transactions on other financial services were applied are as follows:

Unit: RMB100 million

Counterparty	Business type	Basis of calculation	Annual cap for 2025	Transaction amount in January – June 2025
CITIC Group and its associates	Other Financial Services	Service fee income/expense	20	0.76
Quzhou Development and its associates			1.5	0.000003

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 cap.

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, and 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 with 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 of related party transactions on deposit business were applied are as follows:

Unit: RMB100 million

Counterparty	Business type	Basis of calculation	Annual cap for 2025	Transaction amount in January – June 2025
CITIC Group and its associates	Deposit Business	Amount of interest paid	18	2.57
Quzhou Development and its associates			2.1	0
Cinda Securities Co., Ltd. which the Bank's related natural persons worked for			0.22	0

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 cap.

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 principle of market-oriented pricing. The major 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, draft repurchase, proprietary foreign exchange (including foreign exchange settlement and sales) spot business, precious metals spot business, derivatives business, bond business, draft buying and selling via re-discounting, 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; (3) the transactions shall be executed with 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 of related party transactions on financial market business were applied are as follows:

Unit: RMB100 million

Counterparty	Business type	Basis of calculation	Annual cap for 2025	Transaction amount in January – June 2025
CITIC Group and its associates	Financial Market Business	Credit line/transaction principal/transaction profit and loss	41,000	10,835.88
Quzhou Development and its associates			4	0
Cinda Securities Co., Ltd. which the Bank's related natural persons worked for			390	87.12

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 cap.

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 drafts), 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 with 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 of related party transactions on investment business were applied are as follows:

Unit: RMB100 million

Counterparty	Business type	Basis of calculation	Annual cap for 2025	Transaction amount in January – June 2025
CITIC Group and its associates	Investment Business	Investment amount (balance at any point in time)	4,400	1,826.71
Quzhou Development and its associates			50	0
Cinda Securities Co., Ltd. which the Bank's related natural persons worked for			31.75	9.38

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 cap.

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 related party 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 the related finance company CITIC Finance Company Limited (referred to as "CITIC Finance"), and the changes in the 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 January – June 2025	Withdrawn Amount January – June 2025	Closing Balance
CITIC Finance	None	0-4.4%	74.96	651.16	670.22	55.90

4.4.6.2 Loan business

During the reporting period, both the loans issued by the Group to CITIC Finance and the 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 RMB319 million as at the end of the reporting period. During the reporting period, CITIC Finance granted a total credit line of RMB23.6 billion to the Group, with a credit balance of RMB5.590 billion as at the end of the reporting period.

4.4.6.4 Other financial business

During the reporting period, the Group conducted bond repurchase transactions of RMB999 million with CITIC Finance, and charged 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 56(c) to the financial statements of this report.

4.5 Material Litigations and Arbitrations

During the reporting period, the Group was not involved in a material litigation or arbitration case. The Group was involved in several litigation and arbitration cases in its ordinary and usual course of business. Most of these litigations and arbitrations were initiated by the Group for loan recovery, and there were also litigations and arbitrations resulting from disputes with customers. As at the end of the reporting period, there were 172 outstanding litigation and arbitration cases (regardless of the amount in dispute) in the Group's ordinary and usual course of business where the Group was involved as defendant/respondent with an aggregate disputed amount of RMB1.874 billion. The Group is of the view that the above-mentioned litigations or arbitrations have no significant adverse impacts on either its financial or 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	Permanently effective	Continuous undertaking and normal fulfillment
The Bank's directors and senior management members	Others	Undertakings about the 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	Permanently effective	Continuous undertaking and normal fulfillment
	Others	Undertakings about the 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	Permanently effective	Continuous undertaking and normal fulfillment

Undertaking Party	Type of Undertaking	Matters Undertaken	Undertaking Time	Period of Effectiveness	Fulfillment as at the End of the Reporting Period
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	Permanently effective	Continuous undertaking and normal fulfillment
	Undertakings about avoiding horizontal competition, etc.	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	Permanently effective	Continuous undertaking and normal fulfillment
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 the Bank's 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, shall 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. (2) CITIC Group has been committed to strictly complying with laws, regulations, as well as the Bank's Articles of Association and relevant management rules, not taking the 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.	29 May 2024	Permanently effective	Continuous undertaking and normal fulfillment

4.7 Penalties Imposed on the Company and its Directors, Supervisors, 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 law, and none of its controlling shareholder, de facto controller, directors, supervisors 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, supervisors 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, supervisors 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

The Bank was in compliance with all code provisions as well as best practices of the *Corporate Governance Code* set out in Appendix C1 of the Hong Kong Listing Rules throughout the six months ended 30 June 2025.

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* (referred to as "Model Code") as set out in Appendix C3 of the Hong Kong Listing Rules and has complied with Rules 13.67 and 19A.07B of the Hong Kong Listing Rules to regulate the securities transactions of its directors and supervisors. All the directors and supervisors 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 and Related Party Transactions Control 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 in the interim financial report of the Group are consistent with those applied to the Group's annual financial statements for the year ended 31 December 2024.

4.11 Integrity of the Company and Its Relevant Stakeholders

During the reporting period, neither the Bank nor its controlling shareholder or its de facto controller failed to execute valid court documents or to repay matured debts of considerable amounts.

4.12 Events Relating to Bankruptcy and/or Restructuring

During the reporting period, the Bank did not incur any event relating to bankruptcy and/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 "5.3.1 Equity Financing" of this report for details thereof.

4.13.2 Share Transfers between Controlling Shareholder and Its Persons Acting in Concert

The registration of share transfers between CITIC Financial Holdings, the controlling shareholder of the Bank, and Metal Link Limited and Fortune Class Investments Limited was completed. For details about the share transfers, please refer to "5.1.5 Controlling Shareholder and De Facto Controller of the Bank", as well as the relevant announcements published on the websites of SSE (www.sse.com.cn), HKEXnews (www.hkexnews.hk) and the Bank (www.citicbank.com) on 13 December 2024, 11 January 2025, 13 February 2025 and 1 March 2025.

4.13.3 Delisting of Convertible Bonds upon Maturity

The RMB40.0 billion of A-share convertible bonds issued by the Bank in March 2019 were delisted on 4 March 2025 upon maturity. A total of RMB39,943,149,000 of convertible bonds were converted into 6,710,365,691 A shares of the Bank and RMB63,104,610 of convertible bonds were redeemed upon maturity. For details, please refer to relevant announcements published on the websites of SSE (www.sse.com.cn), HKEXnews (www.hkexnews.hk), and the Bank (www.citicbank.com) on 22 February 2025 and 5 March 2025.

4.13.4 Capital Injection into CITIC Financial Leasing

The Bank's capital injection into CITIC Financial Leasing and the capitalization of its undistributed profits are detailed in "2.12 Material Investments, Material Acquisitions, Material Sales of Assets and Equity" of this report.

4.13.5 Approval to Prepare for the Establishment of a Financial Asset Investment Company

The Bank's investment of its own funds in establishing a wholly-owned subsidiary, CITIC Bank Financial Asset Investment Co., Ltd. (provisional name), is detailed in "2.12 Material Investments, Material Acquisitions, Material Sales of Assets and Equity" of this report.

Chapter 5 Changes in Shares and Information on Shareholders

5.1 Ordinary Shares

5.1.1 Table on Changes in Ordinary Shares

Unit: Shares

Category	31 December 2024		Changes during the reporting period (+, –)					30 June 2025	
	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	**54,397,013,781**	**100.00**	**–**	**–**	**–**	**+1,248,148,483**	**+1,248,148,483**	**55,645,162,264**	**100.00**
1. Renminbi-denominated ordinary shares	39,514,850,804	72.64	–	–	–	+1,248,148,483	+1,248,148,483	40,762,999,287	73.26
2. Domestically-listed foreign shares	–	–	–	–	–	–	–	–	–
3. Overseas-listed foreign shares	14,882,162,977	27.36	–	–	–	–	–	14,882,162,977	26.74
4. Others	–	–	–	–	–	–	–	–	–
III. Total shares	**54,397,013,781**	**100.00**	**–**	**–**	**–**	**+1,248,148,483**	**+1,248,148,483**	**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 118,583 accounts of ordinary shareholders in total, including 93,446 accounts of A shareholders and 25,137 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	+295,499,000	0
2	Hong Kong Securities Clearing Company Nominees Limited	Overseas legal person	H share	11,847,642,717	21.29	0	-292,760,419	Unknown
3	China National Tobacco Corporation	State-owned legal person	A share	2,584,406,960	4.64	0	0	0
4	China Securities Finance Corporation Limited	State-owned legal person	A share	1,018,941,677	1.83	0	0	0
5	China Life Insurance Company Limited – Traditional – Ordinary Insurance Products – 005L – CT001 Shanghai	Others	A share	663,878,023	1.19	0	+648,341,423	0
6	Hong Kong Securities Clearing Company Limited	Overseas legal person	A share	371,988,528	0.67	0	+95,786,297	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	115,788,476	0.21	0	+109,611,497	0
10	China Construction Bank Corporation – Yinhua Fund Affluence Theme Mixed Securities Investment Fund	Others	A share	100,000,071	0.18	0	+100,000,071	0

Notes: (1) All shares held by the above-mentioned shareholders were shares of the Bank not subject to restrictions on the 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, CITIC Financial Holdings, 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 share capital 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, 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 *Announcement on Results of Issuance of A-shares to Specific Target and Changes in Share Capital of China Construction Bank Corporation*, as at 24 June 2025, 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 served as the custodian bank for the "China Construction Bank Corporation – Yinhua Fund Affluence Theme Mixed Securities Investment Fund". 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 were 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 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 in the Shares, Underlying Shares and Debentures of the Bank or Associated Corporations Held by Its Directors, Supervisors and Chief Executive

The table below sets out the interests in the shares of the Bank held by directors, supervisors, and chief executive of the Bank as at the end of the reporting period, as recorded in the register that the Bank should maintain 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
Hu Gang	Executive Director, Vice President, Chief Risk Officer	H share	Beneficial owner	1,627,000(L)	0.0109	0.0029
Li Rong	Shareholder Representative Supervisor	H share	Beneficial owner	364,000(L)	0.0024	0.0007
Cheng Pusheng	Employee Representative Supervisor	H share	Beneficial owner	354,000(L)	0.0024	0.0006
Zhang Chun	Employee Representative Supervisor	H share	Beneficial owner	210,000(L)	0.0014	0.0004
Zeng Yufang	Employee Representative Supervisor	H share	Beneficial owner	188,000(L)	0.0013	0.0003

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 associated corporations of the Bank held by directors, supervisors, and chief executive of the Bank as at the end of the reporting period as recorded in the register that the Bank should maintain 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
Lu Wei	CITIC Limited	Beneficial owner	145,000(L)	0.00050
	CITIC Securities Company Limited	Spousal interests	3,500(L)	0.00002
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).

5.1.5 Controlling Shareholder and De Facto Controller of the Bank

5.1.5.1 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.

CITIC Group was founded in 1979 by Mr. Rong Yiren with the advocacy and support of Mr. Deng Xiaoping. Since its incorporation, CITIC Group has been a pilot unit for national economic reform and an important window for China's opening up to the world. With fruitful explorations and innovation in many areas, CITIC Group has cultivated a robust image and reputation both domestically and abroad. At present, CITIC Group has developed into a large state-owned multinational conglomerate with both financial and non-financial businesses. Its financial business covers a full range of services, including banking, securities, trust, insurance, fund, and asset management; and its non-financial business includes real estate, engineering contracting, energy and resources, infrastructure construction, machinery manufacturing, and information industry, demonstrating strong comprehensive advantages and great momentum of growth.

In December 2011, with approval from the State Council, and in alignment with its wholly-owned subsidiary Beijing CITIC Enterprise Management Co., Ltd., CITIC Group contributed the majority of its existing net operating assets to establish CITIC Corporation Limited (named "CITIC Limited" when first established). In particular, CITIC Group held 99.9% equity interest in CITIC Limited, and Beijing CITIC Enterprise Management Co., Ltd. held 0.1%. CITIC Group as a whole was restructured into a wholly state-owned company. To complete the aforementioned capital contribution, CITIC Group transferred its entire equity in the Bank to CITIC Corporation Limited as a capital contribution. As a result, CITIC Corporation Limited held 28,938,929,004 shares in the Bank both directly and indirectly, accounting for 61.85% of the Bank's total share capital. The above-mentioned share transfer was approved by the State Council, the Ministry of Finance (MOF), the former CBRC, the CSRC, and the Hong Kong Monetary Authority. In February 2013, the relevant formalities for the share transfer were officially completed with approvals from the SSE and China Securities Depository and Clearing Corporation Limited Shanghai Branch. On 26 December 2018, the MOF and the Ministry of Human Resources and Social Security (MOHRSS) decided to transfer MOF's 10% equity in CITIC Group to the National Council for Social Security Fund in a lump sum. According to relevant regulations, the National Council for Social Security Fund, as a financial investor, is entitled to the equity income and other relevant rights and interests corresponding to the state-owned equity transferred, and does not intervene in the daily production, operation, and management of the enterprise. The transfer does not change the original state-owned asset management mechanism of CITIC Group, and relevant procedures are in progress.

In October 2013, BBVA transferred to CITIC Limited the 2,386,153,679 H shares it held in the Bank, accounting for approximately 5.10% of the total share capital of the Bank, after which CITIC Limited increased its shareholding in the Bank to 66.95%.

In August 2014, CITIC Group injected its main business assets entirely into its Hong Kong-listed subsidiary, CITIC Pacific, and renamed it CITIC Limited. The former CITIC Limited was renamed CITIC Corporation Limited. CITIC Limited held a 100% equity interest in CITIC Corporation Limited.

In September 2014, CITIC Corporation Limited purchased an additional 81,910,800 H shares of the Bank via agreement transfer, after which CITIC Corporation Limited held a total of 31,406,992,773 A shares and H shares of the Bank, accounting for approximately 67.13% of the Bank's total share capital.

In January 2016, the Bank completed its private offering of 2,147,469,539 A shares to China Tobacco, upon which time the Bank's total share capital increased to 48,934,796,573 shares, and the proportion of shares owned by CITIC Corporation Limited went down to 64.18%.

In January 2016, CITIC Limited notified the Bank that it planned to increase its shareholding in the Bank before 21 January 2017 when appropriate, and that the cumulative percentage of such incremental equity holding would not exceed 5% of the Bank's total issued share capital. As at 21 January 2017, the implementation of the plan to increase shareholding in the Bank was completed. CITIC Limited and its subsidiaries (including CITIC Corporation Limited) held 32,284,227,773 shares of the Bank in aggregate, of which they held 28,938,928,294 A shares and 3,345,299,479 H shares, representing 65.97% of the total issued shares of the Bank.

CITIC Financial Holdings was established with capital contributions from CITIC Corporation Limited on 24 March 2022. In April 2023, the share transfer registration was completed for the transfer for nil consideration of 28,938,928,294 A shares and 2,468,064,479 H shares from CITIC Corporation Limited to CITIC Financial Holdings. Upon the completion of the above-mentioned share transfer registration, CITIC Corporation Limited still holds a total of 581,736,000 H shares of the Bank, representing 1.19% of the total issued shares of the Bank, and CITIC Financial Holdings directly holds a total of 31,406,992,773 shares of the Bank, representing 64.18% of the total issued shares of the Bank. CITIC Financial Holdings replaced CITIC Corporation Limited to become the controlling shareholder of the Bank. CITIC Group remains as the de facto controller of the Bank.

In March 2024, CITIC Financial Holdings converted all the RMB26.388 billion convertible corporate bonds of the Bank it held into 4,325,901,639 A-share ordinary shares of the Bank. After the conversion of the convertible bonds, CITIC Financial Holdings and its persons acting in concert held a total of 36,610,129,412 shares of the Bank, representing 68.70% of the total share capital of the Bank.

On 27 February 2025, CITIC Financial Holdings, through negotiated transfer, acquired all 285,186,000 H shares of the Bank held by Metal Link Limited and all 10,313,000 H shares of the Bank held by Fortune Class Investments Limited. After completion of the share transfers, CITIC Financial Holdings held 36,028,393,412 shares (including 33,264,829,933 A shares and 2,763,563,479 H shares) of the Bank, accounting for 64.79%[57] of the Bank's total share capital; the number and percentage of shares CITIC Financial Holdings and its persons acting in concert collectively held in the Bank remained unchanged. Metal Link Limited and Fortune Class Investments Limited no longer held the Bank's shares or acted in concert with CITIC Financial Holdings.

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 workers to overseas projects compatible 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; 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 owned 36,028,393,412 shares of 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.

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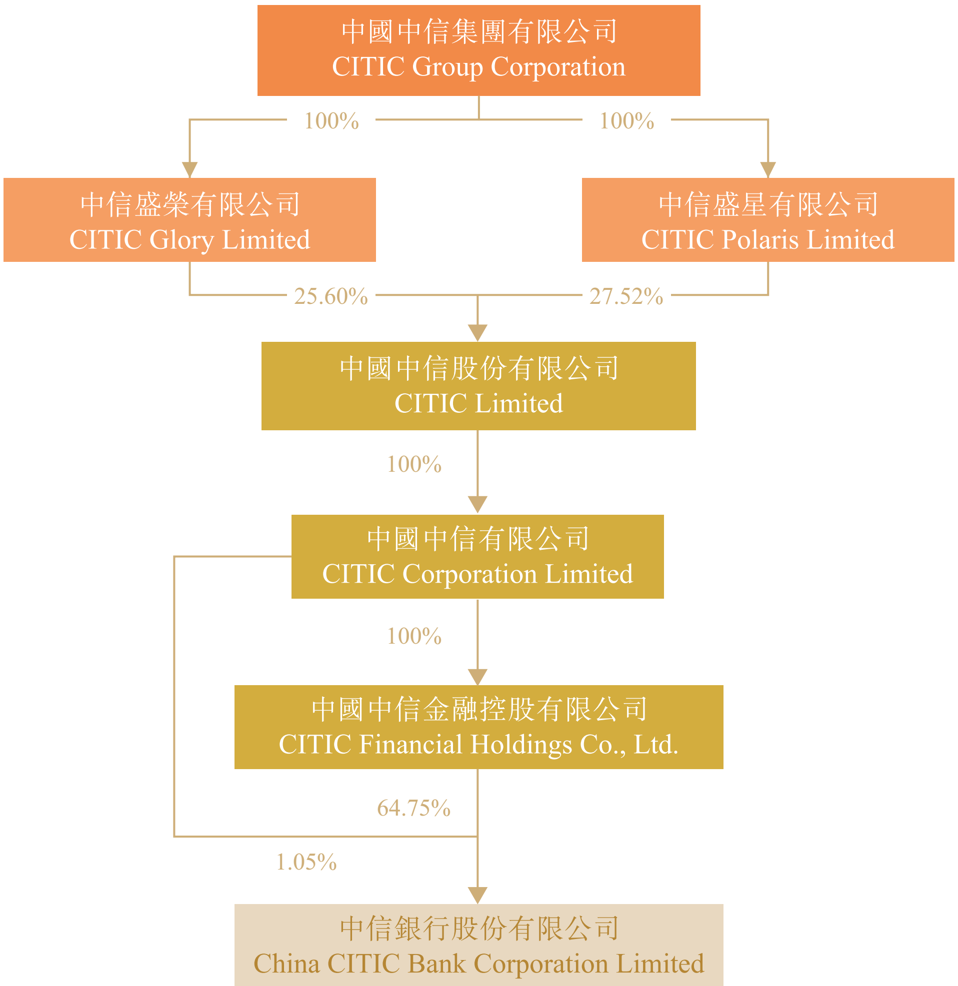
[57] The shareholding percentage after the completion of the share transfers was calculated based on the total share capital of the Bank of 55,607,461,451 shares as at 27 February 2025.

5.1.5.2 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[58]:



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

58 Due to rounding, the total shareholding percentage is slightly different from the sum of the shareholding percentages of direct-holding companies.

5.1.6 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, supervisors 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[59]	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 Holding Group Co., Ltd.	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	1,379,630,577(L)	9.27	2.48
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) The above disclosure is made mainly on the basis of the information released on the HKEXnews (www.hkexnews.hk). Some of the total percentage numbers may be different from the sum of each separate item's percentage numbers due to rounding.

(3) 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 and SEHK. Therefore, the latest number of shares of the Bank held by shareholders may differ from the number submitted to SEHK.

[59] As CTI Capital Management Limited is a corporation indirectly controlled by CITIC Financial Holdings, accordingly the interests held by CITIC Financial Holdings, CITIC Corporation Limited, CITIC Limited, CITIC Polaris Limited, CITIC Glory Limited and CITIC Group include the 1,123,363,710 interests CTI Capital Management Limited held as person having a security interest in shares.

Except for the aforementioned disclosure, as at the end of the reporting period, the Bank was not aware of any person (except the directors, supervisors 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*.

5.1.7 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 as collateral. 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 management and operation 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 collateral as at the end of the reporting period. Summit Idea Limited is a wholly-owned affiliate of Quzhou Development. In addition to the aforementioned, Hong Kong Xinhu Investment Co., Ltd., a wholly-owned subsidiary of Quzhou Development, also owned 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 (SH.600208) was listed on the SSE in 1999 with its principal business being real estate and investment. As at 31 March 2025, Quzhou Development recorded a registered capital of RMB8.5 billion, total assets of RMB96.6 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 are 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 Holding Group Co., Ltd.	Hong Kong Xinhu Investment Co., Ltd.	Quzhou Industrial Holding Group Co., Ltd.

5.1.8 Other Legal-Person Shareholders Holding 10% (10% included) 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% (10% included) or more of the Bank's shares except CITIC Financial Holdings.

5.1.9 Share Repurchase

There was no share repurchase during the reporting period.

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 RMB100 par value per share on 21 October 2016. These shares were issued at par at a 3.80% initial coupon rate and 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 websites of 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 48 accounts of preference shareholders ("CITIC Excellent 1", preference share stock 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	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	AVIC Trust Co., Ltd. – AVIC Trust · Tianji Win-Win No. 2 Securities Investment Collective Capital Trust Plan	Others	–	21,930,000	6.27	Onshore preference shares	–	–	–
7	Ping An Property & Casualty Insurance Company of China, Ltd. – Traditional – Ordinary Insurance Products	Others	–	19,290,000	5.51	Onshore preference shares	–	–	–
8	China Resources SZITIC Trust Co., Ltd. – CR Trust · Yuanqi No. 80 Collective Capital Trust Plan	Others	–	14,875,000	4.25	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	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, and Ping An Property & Casualty Insurance Company of China, Ltd. – Traditional – Ordinary Insurance Products. 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 10 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 nominal dividend 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, the same nominal dividend rate shall be applied to the whole period. The nominal dividend 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 interest-bearing date 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 nominal dividend rate recorded 4.08%. 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) 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 2025 Plan on Payment of Dividends on Preference Shares at the Board meeting convened on 27 August 2025, approving that the preference share dividends accrued between 26 October 2024 and 25 October 2025 would be paid on 27 October 2025. 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 24 October 2025. The Bank will pay out a preference share dividend of RMB4.08 per share (tax inclusive), which was calculated at a nominal dividend rate of 4.08%, with total dividend payment for preference shares amounting to RMB1.428 billion (tax inclusive).

5.2.3.4 Redemption or Conversion of Preference Shares

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

5.2.3.5 Restoration of Voting Rights of Preference Shares

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

5.2.3.6 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 of the Bank, the above-mentioned preference shares are eligible to be classified as equity instrument. Hence, the preference shares of the Bank are accounted 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 not more than RMB40 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 General Meeting of 2024, the Second A Shareholders Class Meeting of 2025, and the Second H Shareholders Class Meeting of 2025 on 20 June 2025, which reviewed and approved the proposal regarding the extension of the effective period for the resolutions passed in relation to the Rights Issue.

On 1 November 2024, given the circumstance described in Article 60 (ii) of the *Rules Governing the Review of Offering and Listing of Stocks on Shanghai Stock Exchange*, the Bank needed to replace the accounting firm it engaged, PricewaterhouseCoopers Zhong Tian LLP for the issuance of rights shares to existing A shareholders, and SSE suspended the review procedures of offering and listing for the Bank's issuance of rights shares to existing A shareholders. To ensure the normal progress of the issuance, the Bank engaged KPMG Huazhen LLP as the special audit agency for the Bank's issuance of rights shares to existing A shareholders. On 22 January 2025, as the review suspension was eliminated, the SEE agreed to resume the review of the Bank's refinancing business.

Please refer to the relevant announcements on 28 October 2022, 6 March 2023, 1 November 2024, 24 January 2025, and 21 June 2025 published on the official websites of 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 of Bonds

Pursuant to the *Affirmative Decision of Administrative License* from the People's Bank of China (PBOC Decision [2025] No. 5), the Bank was approved for the issuance of financial bonds. The newly increased balance of financial bonds in 2025 shall not exceed RMB60.0 billion, and the balance of financial bonds at the end of 2025 shall not exceed RMB400 billion. Pursuant to the *Reply of the National Financial Regulatory Administration on Issuance of Capital Instruments by China CITIC Bank* (NFRA Reply [2023] No. 467), the Bank was approved to issue capital instruments of up to RMB120.0 billion.

The 2025 Special Financial Bonds for Loans to Small and Micro-sized Enterprises of China CITIC Bank Corporation Limited (Bond Connect) were book-built on 26 March 2025, and the issuance was completed in the national interbank bond market on 28 March 2025. The issuance size was RMB30.0 billion, with a 3-year tenor and a fixed coupon rate of 1.92%. The proceeds from the issuance will be used for disbursing loans to small and micro-sized enterprises.

The 2025 Green Financial Bonds of China CITIC Bank Corporation Limited (Tranche 1) (Bond Connect) were book-built on 25 April 2025, and the issuance was completed in the national interbank bond market on 28 April 2025. The issuance size was RMB5.0 billion, with a 3-year tenor and a fixed coupon rate of 1.67%. The proceeds from the issuance will be used for green industrial projects in the *Green Bond Endorsed Project Catalogue (2021 Edition)* in accordance with applicable laws and regulatory approvals.

The 2025 Tier-2 Capital Bonds of China CITIC Bank Corporation Limited (Tranche 1) (Bond Connect) were book-built on 15 May 2025, and the issuance was completed in the national interbank bond market on 19 May 2025. The issuance size was RMB40.0 billion, with a 10-year tenor, a conditional redemption right at the end of the fifth year, and a fixed coupon rate of 1.99%. The proceeds from the issuance will all be used to replenish the Bank's tier-2 capital in accordance with applicable laws and regulatory approvals, so as to improve the Bank's capital structure and promote its steady business development.

The 2025 Sci-tech Innovation Bonds of China CITIC Bank Corporation Limited (Bond Connect) were book-built on 16 May 2025, and the issuance was completed in the national interbank bond market on 20 May 2025. The issuance size was RMB10.0 billion, with a 3-year tenor and a fixed coupon rate of 1.66%. The proceeds from the issuance will be used to extend loans in the field of sci-tech innovation according to applicable laws and regulatory approvals, thereby supporting the development of sci-tech innovation-driven businesses.

Please refer to the relevant announcements published on the official websites of SSE (www.sse.com.cn), HKEXnews (www.hkexnews.hk), and the Bank (www.citicbank.com) on 29 March 2025, 29 April 2025, 20 May 2025, and 21 May 2025 for details of the above financial bonds issued during the reporting period.

5.3.3 Internal Employee Shares

There were no internal employee shares issued by the Bank.

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 146 to 251, 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 2025 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.

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 2025 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

27 August 2025

Chapter 6 Consolidated Interim Statement of Profit or Loss

For the six months ended 30 June 2025
(Amounts in millions of Renminbi unless otherwise stated)

	Note	Six months ended 30 June **2025** **Unaudited**	 2024 Unaudited
Interest income		**145,122**	156,933
Interest expense		**(73,921)**	(84,325)
Net interest income	4	**71,201**	72,608
Fee and commission income		**22,035**	18,712
Fee and commission expense		**(5,129)**	(2,359)
Net fee and commission income	5	**16,906**	16,353
Net trading gain	6	**3,522**	2,930
Net gain from investment securities	7	**12,918**	16,279
Net hedging gain		**2**	3
Other operating income		**877**	467
Operating income		**105,426**	108,640
Operating expenses	8	**(29,628)**	(30,958)
Operating profit before impairment		**75,798**	77,682
Credit impairment losses	9	**(29,570)**	(34,370)
Impairment losses on other assets	10	**(16)**	(43)
Revaluation losses on investment properties		**(49)**	(8)
Share of profit of associates and joint ventures		**459**	490
Profit before tax		**46,622**	43,751
Income tax expense	11	**(9,548)**	(7,880)
Profit for the period		**37,074**	35,871
Net profit attributable to:			
Equity holders of the Bank		**36,478**	35,490
Non-controlling interests		**596**	381
Earnings per share attributable to the ordinary shareholders of the Bank			
Basic earnings per share (RMB)	13	**0.62**	0.66
Diluted earnings per share (RMB)	13	**0.61**	0.64

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

Chapter 6 Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2025
(Amounts in millions of Renminbi unless otherwise stated)

	Note	Six months ended 30 June	
		2025 **Unaudited**	2024 Unaudited
Profit for the period		**37,074**	35,871
Other comprehensive income, net of tax			
Items that will not be reclassified to profit or loss (net of tax):			
— Fair value changes on financial investments designated at fair value through other comprehensive income		**(24)**	–
Items that may be reclassified subsequently to profit or loss (net of tax):			
— Other comprehensive income transferable to profit or loss under equity method		**(52)**	10
— Fair value changes on financial assets at fair value through other comprehensive income		**(4,358)**	5,666
— Impairment allowance on financial assets at fair value through other comprehensive income		**(149)**	72
— Exchange difference on translation of foreign financial statements statements		**(1,706)**	1,364
Other comprehensive income, net of tax	12	**(6,289)**	7,112
Total comprehensive income for the period		**30,785**	42,983
Total comprehensive income attribute to:			
Equity holders of the Bank		**30,048**	42,584
Non-controlling interests		**737**	399

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

Chapter 6 Consolidated Interim Statement of Financial Position

As at 30 June 2025
(Amounts in millions of Renminbi unless otherwise stated)

	Note	**30 June 2025 Unaudited**	31 December 2024 Audited
Assets			
Cash and balances with central banks	14	**385,826**	340,915
Deposits with banks and non-bank financial institutions	15	**88,304**	128,193
Precious metals		**29,426**	13,580
Placements with and loans to banks and non-bank financial institutions	16	**469,146**	404,801
Derivative financial assets	17	**52,069**	85,929
Financial assets held under resale agreements	18	**115,331**	136,265
Loans and advances to customers	19	**5,683,258**	5,601,450
Financial investments	20		
— at fair value through profit or loss		**670,434**	647,398
— at amortised cost		**1,104,505**	1,118,989
— at fair value through other comprehensive income		**994,849**	849,781
— designated at fair value through other comprehensive income		**4,666**	4,702
Investments in associates and joint ventures	21	**7,641**	7,349
Investment properties	23	**513**	578
Property, plant and equipment	24	**63,967**	46,516
Right-of-use assets	25	**10,976**	11,035
Intangible assets	26	**2,541**	3,419
Goodwill	27	**931**	959
Deferred tax assets	28	**54,638**	54,130
Other assets	29	**119,445**	76,733
Total assets		**9,858,466**	9,532,722
Liabilities			
Borrowings from central banks		**131,186**	124,151
Deposits from banks and non-bank financial institutions	31	**705,046**	968,492
Placements from banks and non-bank financial institutions	32	**111,842**	88,550
Financial liabilities at fair value through profit or loss		**2,355**	1,719
Derivative financial liabilities	17	**53,034**	81,162
Financial assets sold under repurchase agreements	33	**347,163**	278,003
Deposits from customers	34	**6,192,094**	5,864,311
Accrued staff costs	35	**17,456**	20,318
Taxes payable	36	**5,561**	7,645
Debt securities issued	37	**1,376,440**	1,224,038
Lease liabilities	25	**10,980**	10,861
Provisions	38	**10,679**	9,990
Deferred tax liabilities	28	**136**	39
Other liabilities	39	**61,529**	46,078
Total liabilities		**9,025,501**	8,725,357

As at 30 June 2025
(Amounts in millions of Renminbi unless otherwise stated)

	Note	**30 June 2025 Unaudited**	31 December 2024 Audited
Equity			
Share capital	40	**55,645**	54,397
Other equity instruments	41	**104,948**	105,499
Capital reserve	42	**95,566**	89,286
Other comprehensive income	43	**10,432**	16,862
Surplus reserve	44	**67,629**	67,629
General reserve	45	**111,895**	111,723
Retained earnings	46	**368,186**	343,868
Total equity attributable to equity holders of the Bank		**814,301**	789,264
Non-controlling interests	47	**18,664**	18,101
Total equity		**832,965**	807,365
Total liabilities and equity		**9,858,466**	9,532,722

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

Approved and recognized for issue by the board of directors on 27 August 2025.

Fang Heying
Chairman
Executive Director

Lu Wei
Executive Director
President (in charge of finance and accounting work)

Kang Chao
The head of the Finance
and Accounting Department

Company stamp

Chapter 6 Consolidated Interim Statement of Changes in Equity

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	12	-	-	-	(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	45	-	-	-	-	-	172	(172)	-	-	-
— Dividend distribution to ordinary shareholders of the Bank	46	-	-	-	-	-	-	(9,582)	-	-	(9,582)
— Interest paid to holders of perpetual bonds	46/47	-	-	-	-	-	-	(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

For the six months ended 30 June 2024
(Amounts in millions of Renminbi unless otherwise stated)

	Equity attributable to equity holders of the Bank							Non-controlling interests		
	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 2024	48,967	118,060	59,400	4,057	60,992	105,127	320,619	9,763	7,690	734,675
(i) Profit for the period	–	–	–	–	–	–	35,490	208	173	35,871
(ii) Other comprehensive income	–	–	–	7,094	–	–	–	18	–	7,112
Total comprehensive income	–	–	–	7,094	–	–	35,490	226	173	42,983
(iii) Investor capital										
— Capital injection by issuing convertible corporate bonds	4,490	(2,147)	25,044	–	–	–	–	–	–	27,387
— Insurance of perpetual bonds	–	30,000	(4)	–	–	–	–	–	–	29,996
(iv) Profit appropriations										
— Appropriations to general reserve	–	–	–	–	–	153	(153)	–	–	–
— Dividend distribution to ordinary shareholders of the Bank	–	–	–	–	–	–	(17,432)	–	–	(17,432)
— Dividend distribution to non-controlling interests	–	–	–	–	–	–	–	(5)	–	(5)
— Interest paid to holders of perpetual bonds	–	–	–	–	–	–	(1,680)	–	(173)	(1,853)
As at 30 June 2024	53,457	145,913	84,440	11,151	60,992	105,280	336,844	9,984	7,690	815,751

For year ended 31 December 2024
(Amounts in millions of Renminbi unless otherwise stated)

	Note	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 2024		48,967	118,060	59,400	4,057	60,992	105,127	320,619	9,763	7,690	734,675
(i) Net profit		–	–	–	–	–	–	68,576	544	348	69,468
(ii) Other comprehensive income	12	–	–	–	12,805	–	–	–	109	–	12,914
Total comprehensive income		–	–	–	12,805	–	–	68,576	653	348	82,382
(iii) Investor capital											
— Conversion of convertible corporate bonds to equity		5,430	(2,568)	29,897	–	–	–	–	–	–	32,759
— Issuance of perpetual bonds	41	–	30,000	(4)	–	–	–	–	–	–	29,996
— Redemption of perpetual bonds	41	–	(39,993)	(7)	–	–	–	–	–	–	(40,000)
(iv) Profit appropriations											
— Appropriations to surplus reserve	44	–	–	–	–	6,637	–	(6,637)	–	–	–
— Appropriations to general reserve	45	–	–	–	–	–	6,596	(6,596)	–	–	–
— Dividend distribution to ordinary shareholders of the Bank		–	–	–	–	–	–	(27,306)	–	–	(27,306)
— Dividend distribution to preference shareholders	41	–	–	–	–	–	–	(1,428)	–	–	(1,428)
— Dividend distribution to non-controlling interests		–	–	–	–	–	–	–	(5)	–	(5)
— Interest paid to holders of perpetual bonds	46/47	–	–	–	–	–	–	(3,360)	–	(348)	(3,708)
As at 31 December 2024		54,397	105,499	89,286	16,862	67,629	111,723	343,868	10,411	7,690	807,365

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

Chapter 6 Consolidated Interim Statement of Cash Flows

For the six months ended 30 June 2025
(Amounts in millions of Renminbi unless otherwise stated)

	Six months ended 30 June	
	2025 Unaudited	2024 Unaudited
Operating activities		
Profit before tax	**46,622**	43,751
Adjustments for:		
— revaluation losses/(gains) on investments, derivatives and investment properties	**270**	(5,113)
— investment gains	**(11,541)**	(9,112)
— net gains of property, plant and equipment, intangible assets and other assets	**(18)**	(25)
— unrealised foreign exchange losses/(gains)	**2,278**	(4,288)
— credit impairment losses	**29,570**	34,370
— impairment losses on other assets	**16**	43
— depreciation and amortisation	**2,220**	2,670
— interest expense on debt securities issued	**13,597**	14,201
— dividend income from equity investment	**(112)**	(145)
— depreciation of right-of-use assets and interest expense on lease liabilities	**1,734**	1,912
— income tax paid	**(9,975)**	(6,398)
Subtotal	**74,661**	71,866
Changes in operating assets and liabilities:		
Decrease in balances with central banks	**26,448**	36,195
Decrease in deposits with banks and non-bank financial institutions	**7,638**	9,296
Increase in placements with and loans to banks and non-bank financial institutions	**(106,441)**	(65,155)
(Increase)/Decrease in financial assets at fair value through profit or loss	**(14,588)**	5,006
Decrease in financial assets held under resale agreements	**23,343**	38,488
Increase in loans and advances to customers	**(112,381)**	(113,851)
Increase in borrowings from central banks	**7,426**	543
Decrease in deposits from banks and non-bank financial institutions	**(262,064)**	(87,187)
Increase/(Decrease) in placements from banks and non-bank financial institutions	**18,409**	(12,980)
Increase/(Decrease) in financial liabilities at fair value through profit or loss	**671**	(61)
Increase/(Decrease) in financial assets sold under repurchase agreements	**69,373**	(283,484)
Increase in deposits from customers	**339,087**	106,677
Increase in other operating assets	**(52,397)**	(41,176)
Increase/(Decrease) in other operating liabilities	**9,466**	(6,086)
Subtotal	**(46,010)**	(413,775)
Net cash flows from/(used in) operating activities	**28,651**	(341,909)

For the six months ended 30 June 2025
(Amounts in millions of Renminbi unless otherwise stated)

	Note	Six months ended 30 June 2025 Unaudited	2024 Unaudited
Investing activities			
Proceeds from disposal and redemption of investments		**2,999,991**	1,716,776
Proceeds from disposal of property, plant and equipment, land use rights, and other assets		**56**	62
Cash received from equity investment income		**626**	530
Payments on acquisition of investments		**(3,147,722)**	(1,651,773)
Payments on acquisition of property, plant and equipment, land use rights and other assets		**(24,090)**	(3,956)
Net cash flows (used in)/from investing activities		**(171,139)**	61,639
Financing activities			
Cash received from issuing other equity instruments		**–**	29,996
Cash received from debt securities issued		**834,370**	907,898
Cash paid for redemption of debt securities issued		**(676,104)**	(673,828)
Interest paid on debt securities issued		**(12,300)**	(14,943)
Cash paid for dividends		**(5,102)**	(1,858)
Cash paid in connection with other financing activities		**(1,490)**	(1,649)
Net cash flows from financing activities		**139,374**	245,616
Decrease in cash and cash equivalents		**(3,114)**	(34,654)
Cash and cash equivalents as at 1 January		**262,779**	249,002
Effect of exchange rate changes on cash and cash equivalents		**(3,001)**	2,432
Cash and cash equivalents as at 30 June	48	**256,664**	216,780
Cash flows from operating activities include:			
Interest received		**145,801**	159,822
Interest paid		**(61,271)**	(61,108)

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

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 and other non-banking financial services.

As at 30 June 2025, 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 27 August 2025.

2 Basis of preparation

The consolidated interim financial statements for the six months ended 30 June 2025 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. 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 2024.

The consolidated interim financial statements should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024, which have been audited.

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

In the current reporting period, the Group has adopted the following IFRS Accounting Standards and amendments issued by the International Accounting Standards Board ("IASB"), that are mandatorily effective for the current reporting period.

- Lack of Exchangeability – Amendments to IAS 21

The adoption of the above amendments do not have significant impacts on the consolidated financial statements of the Group. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(Amounts in millions of Renminbi unless otherwise stated)

3 Principal accounting policies (continued)

(b) Standards and amendments relevant to the Group that are not yet effective and have not been adopted before their effective dates in 2025

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
1 January 2027	IFRS 18 Presentation and Disclosure in Financial Statements
1 January 2027	IFRS 19 Subsidiaries without Public Accountability: Disclosures
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	
	2025	2024
Interest income arising from (Note (i)):		
Deposits with central banks	**2,771**	2,994
Deposits with banks and non-bank financial institutions	**966**	828
Placements with and loans to banks and non-bank financial institutions	**5,676**	5,016
Financial assets held under resale agreements	**609**	644
Loans and advances to customers		
— corporate loans	**56,826**	59,284
— personal loans	**50,006**	57,193
— discountedbills	**1,790**	3,256
Financial investments		
— at amortised cost	**15,036**	15,895
— at fair value through other comprehensive income	**11,412**	11,786
Others	**30**	37
Subtotal	**145,122**	156,933
Interest expense arising from:		
Borrowings from central banks	**(1,104)**	(3,410)
Deposits from banks and non-bank financial institutions	**(6,459)**	(9,594)
Placements from banks and non-bank financial institutions	**(1,341)**	(1,451)
Financial assets sold under repurchase agreements	**(2,935)**	(2,129)
Deposits from customers	**(48,244)**	(53,283)
Debt securities issued	**(13,597)**	(14,201)
Lease liabilities	**(224)**	(226)
Others	**(17)**	(31)
Subtotal	**(73,921)**	(84,325)
Net interest income	**71,201**	72,608

Note:

(i) Interest income includes interest income accrued on credit-impaired financial assets of RMB258 million for the six months ended 30 June 2025 (Six months ended 30 June 2024: RMB378 million).

(Amounts in millions of Renminbi unless otherwise stated)

5 Net fee and commission income

	Six months ended 30 June	
	2025	2024
Fee and commission income:		
Bank card fees	**6,973**	7,950
Commission for custodian business and other fiduciary	**5,110**	4,084
Agency fees and commission (Note (i))	**3,095**	2,605
Guarantee and advisory fees	**2,786**	2,502
Settlement and clearance fees	**1,511**	1,300
Others	**2,560**	271
Total	**22,035**	18,712
Fee and commission expense	**(5,129)**	(2,359)
Net fee and commission income	**16,906**	16,353

Note:

(i) Agency fees and commission represent fees earned from selling bonds, investment funds and insurance products, and provision of entrusted lending activities.

6 Net trading gain

	Six months ended 30 June	
	2025	2024
Debt securities and certificates of interbank deposit	**1,536**	1,871
Foreign currencies	**3,593**	(1,002)
Derivatives and related exposures	**(1,607)**	2,061
Total	**3,522**	2,930

7 Net gain from investment securities

	Six months ended 30 June	
	2025	2024
Financial investments		
— at fair value through profit or loss	**5,687**	9,560
— at amortised cost	**1,987**	1,680
— at fair value through other comprehensive income	**4,135**	3,604
— Investments in equity instruments designated at fair value through other comprehensive income	**24**	2
Net gain from bills rediscounting	**440**	764
Proceeds from the resale of forfaiting	**351**	393
Others	**294**	276
Total	**12,918**	16,279

(Amounts in millions of Renminbi unless otherwise stated)

8 Operating expenses

	Six months ended 30 June	
	2025	2024
Staff costs		
— salaries and bonuses	**10,864**	11,492
— welfare expenses	**577**	535
— social insurance	**1,407**	1,368
— housing fund	**1,117**	1,017
— labor union expenses and employee education expenses	**300**	438
— post-employment benefits – defined contribution plans	**2,329**	2,138
— other benefits	**226**	172
Subtotal	**16,820**	17,160
Property and equipment related expenses		
— depreciation of right-of-use assets	**1,510**	1,686
— depreciation of property, plant and equipment	**1,582**	1,560
— rent and property management expenses	**468**	462
— maintenance	**926**	237
— amortisation expenses	**638**	1,110
— electronic equipment operating expenses	**157**	150
— others	**193**	175
Subtotal	**5,474**	5,380
Tax and surcharges	**1,116**	1,125
Other general operating and administrative expenses	**6,218**	7,293
Total	**29,628**	30,958

9 Credit impairment losses

	Six months ended 30 June	
	2025	2024
Impairment losses/(reversals) of deposits with banks and non-bank financial institutions	**8**	(7)
Impairment losses of placements with and loans to banks and non-bank financial institutions	**51**	30
Impairment reversals of financial assets held under resale agreements	**–**	(39)
Impairment losses of loans and advances to customers	**25,466**	29,974
Impairment (reversals)/losses of financial investments		
— at amortised cost	**(73)**	974
— at fair value through other comprehensive income	**(8)**	412
Impairment losses of other financial assets and accrued interest	**3,433**	2,846
Impairment losses of off-balance sheet items	**693**	180
Total	**29,570**	34,370

(Amounts in millions of Renminbi unless otherwise stated)

10 Impairment losses on other assets

	Six months ended 30 June	
	2025	2024
Impairment losses of other assets-repossessed assets	**16**	43

11 Income tax

(a) Recognized in the consolidated interim statement of profit and loss and other comprehensive income

		Six months ended 30 June	
	Note	**2025**	2024
Current tax			
— Mainland China		**8,023**	7,140
— Hong Kong		**329**	50
— Overseas		**48**	47
Deferred tax	28(c)	**1,148**	643
Income tax		**9,548**	7,880

Mainland China income tax have been provided at the rate of 25%. Hong Kong and Overseas tax has been provided at the rates of tax at ionprevailing in the regions in which the Group operates respectively.

(b) Reconciliation between income tax expense and accounting profit

		Six months ended 30 June	
	Note	**2025**	2024
Profit before tax		**46,622**	43,751
Income tax calculatedat PRC statutory tax rate		**11,656**	10,938
Effect of different tax rates in other regions		**(243)**	(110)
Tax effect of non-deductible expenses		**3,351**	2,178
Tax effect of non-taxable income	(i)	**(5,216)**	(5,126)
Income tax		**9,548**	7,880

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.

(Amounts in millions of Renminbi unless otherwise stated)

12 Other comprehensive income, net of tax

	Six months ended 30 June	
	2025	2024
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	**(35)**	–
— income tax	**11**	–
Subtotal	**(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	**(52)**	10
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	**(1,568)**	10,782
— net amount transferred to profit or loss	**(4,338)**	(3,297)
— Income tax	**1,548**	(1,819)
Credit impairment allowance on financial assets at fair value through other comprehensive income (Note (ii))		
— net changes during the period	**(181)**	71
— Income tax	**32**	1
Exchange differences on translation of financial statements	**(1,706)**	1,364
Subtotal	**(6,265)**	7,112
Other comprehensive income, net of tax	**(6,289)**	7,112

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 2025 and 2024 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. No cash dividend on preference shares was declared during the six months ended 30 June 2025.

The Bank issued RMB40 billion write-down undated capital bonds (the "Bonds") in 2021, with terms and conditions disclosed in detail in Note 41(ii) under perpetual Bonds. The Bank declared and paid RMB1,680 million in interests on the perpetual bonds in 2025.

The Bank issued RMB30 billion write-down undated capital bonds (the "Bonds") in 2024, with terms and conditions disclosed in detail in Note 41(ii) under perpetual Bonds. The Bank declared and paid RMB726 million in interests on the perpetual bonds in 2025.

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 2025, therefore the conversion feature of preference shares has no effect on the basic and diluted earnings per share calculation.

(Amounts in millions of Renminbi unless otherwise stated)

13 Earnings per share (continued)

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.

	Six months ended 30 June	
	2025	2024
Profit for the period attributable to equity holders of the Bank	**36,478**	35,490
Less: profit for the period attributable to preference shareholders of the Bank	**2,406**	1,680
Profit for the period attributable to ordinary shareholders of the Bank	**34,072**	33,810
Weighted average number of shares (in million shares)	**55,259**	51,185
Basic earnings per share (in RMB)	**0.62**	0.66
Diluted earnings per share (in RMB)	**0.61**	0.64

14 Cash and balances with central banks

	Notes	**30 June 2025**	31 December 2024
Cash		**4,256**	4,737
Balances with central banks			
— statutory deposit reserve funds	(i)	**296,017**	321,339
— surplus deposit reserve funds	(ii)	**78,902**	6,803
— fiscal deposits	(iii)	**1,210**	3,699
— foreign exchange reserve	(iv)	**5,309**	4,178
Accrued interest		**132**	159
Total		**385,826**	340,915

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 2025, the statutory deposit reserve funds placed with the PBOC was calculated at 5.5% (31 December 2024: 6%) of eligible Renminbi deposits for domestic branches of the Bank and at 5.5% (31 December 2024: 6%) of eligible Renminbi deposits from overseas financial institutions. The Bank was also required to deposit an amount equivalent to 4% (31 December 2024: 4%) of its foreign currency deposits from domestic branch customers as statutory deposit reserve funds.

As at 30 June 2025, 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 2024: 5%).

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.

(Amounts in millions of Renminbi unless otherwise stated)

15 Deposits with banks and non-bank financial institutions

(a) Analysed by types and locations of counterparties

	Note	**30 June 2025**	31 December 2024
In Mainland China			
— banks		**42,294**	76,247
— non-bank financial institutions		**17,010**	18,880
Subtotal		**59,304**	95,127
Outside Mainland China			
— banks		**26,803**	31,507
— non-bank financial institutions		**1,856**	1,280
Subtotal		**28,659**	32,787
Accrued interest		**405**	335
Gross balance		**88,368**	128,249
Less: Allowances for impairment losses	30	**(64)**	(56)
Net balance		**88,304**	128,193

(b) Analysed by remaining maturity

	Note	**30 June 2025**	31 December 2024
Demand deposits (Note (i))		**63,030**	97,100
Time deposits with remaining maturity			
— within one month		**3,710**	1,781
— between one month and one year		**21,223**	29,033
Subtotal		**87,963**	127,914
Accrued interest		**405**	335
Gross balance		**88,368**	128,249
Less: Allowances for impairment losses	30	**(64)**	(56)
Net balance		**88,304**	128,193

Note:

(i) As at 30 June 2025, within the demand deposits there were pledged deposits of RMB1,528 million (as at 31 December 2024: RMB1,542 million). These deposits were mainly maintenance margins with a regulatory body.

(Amounts in millions of Renminbi unless otherwise stated)

16 Placements with and loans to banks and non-bank financial institutions

(a) Analysed by types and locations of counterparties

	Note	**30 June 2025**	31 December 2024
In Mainland China			
— banks (Note (i))		**37,986**	64,651
— non-bank financial institutions		**347,400**	269,520
Subtotal		**385,386**	334,171
Outside Mainland China			
— banks		**82,290**	69,134
— non-bank financial institutions		**–**	451
Subtotal		**82,290**	69,585
Accrued interest		**1,705**	1,230
Gross balance		**469,381**	404,986
Less: Allowances for impairment losses	30	**(235)**	(185)
Net balance		**469,146**	404,801

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 2025, the carrying amount of leased gold was RMB26,590 million (as at 31 December 2024: RMB22,789 million)

(b) Analysed by remaining maturity

	Note	**30 June 2025**	31 December 2024
Within one month		**57,937**	93,695
Between one month and one year		**345,766**	251,297
Over one year		**63,973**	58,764
Accrued interest		**1,705**	1,230
Gross balance		**469,381**	404,986
Less: Allowances for impairment losses	30	**(235)**	(185)
Net balance		**469,146**	404,801

(Amounts in millions of Renminbi unless otherwise stated)

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 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 2025			31 December 2024		
	Nominal amount	**Assets**	**Liabilities**	Nominal amount	Assets	Liabilities
Hedging instruments						
— interest rate derivatives	**6,708**	**32**	**68**	5,289	121	29
Non-Hedging instruments						
— interest rate derivatives	**5,902,241**	**16,516**	**16,447**	4,668,484	21,023	20,762
— currency derivatives	**5,457,161**	**33,909**	**30,154**	4,605,533	64,282	57,090
— precious metal derivatives	**85,393**	**1,612**	**6,365**	94,871	503	3,281
Total	**11,451,503**	**52,069**	**53,034**	9,374,177	85,929	81,162

(a) Nominal amount analysed by remaining maturity

	30 June 2025	31 December 2024
Within three months	**3,745,843**	3,243,260
Between three months and one year	**5,454,331**	4,318,460
Between one year and five years	**2,224,075**	1,777,322
Over five years	**27,254**	35,135
Total	**11,451,503**	9,374,177

(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 2025, the total amount of credit risk weighted amount for counterparty was RMB25,268 million (31 December 2024: RMB24,307 million).

(Amounts in millions of Renminbi unless otherwise stated)

18 Financial assets held under resale agreements

(a) Analysed by types and locations of counterparties

	Note	**30 June 2025**	31 December 2024
In Mainland China			
— banks		**73,651**	101,671
— non-bank financial institutions		**36,470**	31,919
Subtotal		**110,121**	133,590
Outside Mainland China			
— banks		**3,331**	972
— non-bank financial institutions		**1,947**	1,759
Subtotal		**5,278**	2,731
Accrued interest		**19**	31
Gross balance		**115,418**	136,352
Less: Allowance for impairment losses	30	**(87)**	(87)
Net balance		**115,331**	136,265

(b) Analysed by types of collateral

	Note	**30 June 2025**	31 December 2024
Debt securities		**115,399**	136,321
Subtotal		**115,399**	136,321
Accrued interest		**19**	31
Gross balance		**115,418**	136,352
Less: Allowance for impairment losses	30	**(87)**	(87)
Net balance		**115,331**	136,265

(c) Analysed by remaining maturity

	Note	**30 June 2025**	31 December 2024
Within one month		**115,399**	135,622
Between one month and one year		**–**	699
Accrued interest		**19**	31
Gross balance		**115,418**	136,352
Less: Allowance for impairment losses	30	**(87)**	(87)
Net balance		**115,331**	136,265

(Amounts in millions of Renminbi unless otherwise stated)

19 Loans and advances to customers

(a) Analysed by nature

	Note	**30 June 2025**	31 December 2024
Loans and advances to customers at amortised cost			
Corporate loans and advances			
— loans		**3,053,313**	2,771,263
— discounted bills		**1,892**	2,182
— finance lease receivables		**46,365**	49,579
Subtotal		**3,101,570**	2,823,024
Personal loans and advances			
— residential mortgages		**1,106,566**	1,067,339
— credit cards		**459,146**	488,716
— business loans		**488,975**	488,898
— personal consumption		**288,389**	310,637
— finance lease receivables		**7,315**	6,151
Subtotal		**2,350,391**	2,361,741
Accrued interest		**23,105**	21,715
Gross balance		**5,475,066**	5,206,480
Less: Allowances impairment losses on loans	30		
— principal		**(138,936)**	(138,691)
— interest		**(2,811)**	(1,702)
Loans and advances to customers at amortised cost, net		**5,333,319**	5,066,087
Loans and advances to customers at fair value through other comprehensive income			
— loans		**112,818**	76,032
— discounted bills		**223,654**	447,719
Carrying amount of loans and advances at fair value through other comprehensive income		**336,472**	523,751
— fair value changes through other comprehensive income		**83**	105
Carrying amount of loans and advances to customers at fair value through profit or loss		**13,467**	11,612
Total		**5,683,258**	5,601,450
Allowances for impairment losses on loans and advances to customers at fair value through other comprehensive income	30	**(389)**	(549)

(Amounts in millions of Renminbi unless otherwise stated)

19 Loans and advances to customers (continued)

(b) Analysed by assessment method of allowance for impairment losses

	30 June 2025			
	Stage one	**Stage two**	**Stage three (Note (i))**	**Total**
Gross loans and advances to customers at amortised costs	**5,279,729**	**101,420**	**70,812**	**5,451,961**
Accrued interest	**16,713**	**5,406**	**986**	**23,105**
Less: Allowance for impairment losses	**(65,383)**	**(26,556)**	**(49,808)**	**(141,747)**
Carrying amount of loans and advances to customers measured at amortised cost	**5,231,059**	**80,270**	**21,990**	**5,333,319**
Carrying amount of loans and advances to customers at fair value through other comprehensive income	**336,137**	**335**	**–**	**336,472**
Total carrying amount of loans and advances to customers affected by credit risk	**5,567,196**	**80,605**	**21,990**	**5,669,791**
Allowance for impairment losses on loans and advances to customers at fair value through other comprehensive income	**(388)**	**(1)**	**–**	**(389)**

	31 December 2024			
	Stage one	Stage two	Stage three (Note (i))	Total
Gross loans and advances to customers at amortised costs	5,000,518	115,459	68,788	5,184,765
Accrued interest	15,835	5,087	793	21,715
Less: Allowance for impairment losses	(62,041)	(29,453)	(48,899)	(140,393)
Carrying amount of loans and advances to customers measured at amortised cost	4,954,312	91,093	20,682	5,066,087
Carrying amount of loans and advances to customers at fair value through other comprehensive income	523,134	460	157	523,751
Total carrying amount of loans and advances to customers affected by credit risk	5,477,446	91,553	20,839	5,589,838
Allowance for impairment losses on loans and advances to customers at fair value through other comprehensive income	(545)	(1)	(3)	(549)

(Amounts in millions of Renminbi unless otherwise stated)

19 Loans and advances to customers (continued)

(b) Analysed by assessment method of allowance for impairment losses (continued)

Note:

(i) Stage 3 loans are loans and advances to customers that have incurred credit impairment.

	30 June 2025	31 December 2024
Secured portion	**36,673**	33,296
Unsecured portion	**34,139**	35,649
Gross balance	**70,812**	68,945
Allowance for impairment losses	**(49,808)**	(48,902)

As at 30 June 2025, the maximum exposure covered by pledge and collateral held on secured portion is RMB36,449 million (as at 31 December 2024: RMB32,890 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 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	**17,245**	**10,582**	**2,389**	**429**	**30,645**
Guaranteed loans	**1,565**	**8,908**	**2,579**	**1,031**	**14,083**
Loans with pledged assets					
— loans secured by collateral	**11,926**	**11,025**	**9,502**	**2,890**	**35,343**
— pledged loans	**2,992**	**968**	**2,113**	**553**	**6,626**
Total	**33,728**	**31,483**	**16,583**	**4,903**	**86,697**

	31 December 2024				
	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	29,555	13,178	2,171	380	45,284
Guaranteed loans	7,497	3,683	2,899	2,678	16,757
Loans with pledged assets					
— loans secured by collateral	12,846	10,965	9,216	2,071	35,098
— pledged loans	3,220	1,570	570	137	5,497
Total	53,118	29,396	14,856	5,266	102,636

Overdue loans represent loans of which the principal or interest are overdue one day or more.

(Amounts in millions of Renminbi unless otherwise stated)

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 2025	31 December 2024
Within one year (including one year)	**14,583**	21,545
One year to two years (including two years)	**9,954**	10,651
Two years to three years (including three years)	**7,985**	6,929
Over three years	**21,522**	16,974
Gross balance	**54,044**	56,099
Less: Allowance for impairment losses		
— stage one	**(569)**	(705)
— stage two	**(810)**	(858)
— stage three	**(335)**	(381)
Net balance	**52,330**	54,155

20 Financial investments

(a) Analysed by types

	Note	**30 June 2025**	31 December 2024
Financial assets at fair value through profit or loss			
Investment funds		**434,773**	427,597
Debt securities		**202,855**	153,564
Certificates of deposit and interbank certificates of deposit		**22,989**	57,626
Equity instruments		**5,314**	5,213
Wealth management products		**3,283**	2,131
Trust investment plans		**1,220**	1,267
Net balance		**670,434**	647,398
Financial assets at amortised cost			
Debt securities		**909,472**	920,170
Trust investment plans		**181,654**	189,906
Investment management products managed by securities companies		**27,184**	20,162
Certificates of deposit and interbank certificates of deposit		**1,075**	1,095
Subtotal		**1,119,385**	1,131,333
Accrued interest		**11,746**	13,821
Less: Allowance for impairment losses	30	**(26,626)**	(26,165)
— principles		**(26,033)**	(26,108)
— accrued interest		**(593)**	(57)
Net balance		**1,104,505**	1,118,989

(Amounts in millions of Renminbi unless otherwise stated)

20 Financial investments (continued)

(a) Analysed by types (continued)

	Note	**30 June 2025**	31 December 2024
Financial assets at fair value through other comprehensive income (Note (i))			
Debt securities		**973,686**	831,495
Certificates of deposit and interbank certificates of deposit		**14,704**	11,861
Subtotal		**988,390**	843,356
Accrued interest		**6,459**	6,425
Net balance		**994,849**	849,781
Financial assets designated at fair value through other comprehensive income (Note (i))		**4,666**	4,702
Total		**2,774,454**	2,620,870
Allowances for impairment losses on financial investments at fair value through other comprehensive income	30	**(2,525)**	(2,558)

Notes:

(i) Financial investments at fair value through other comprehensive income and financial investments designated at fair value through other comprehensive income:

	Note	**30 June 2025**		
		Equity instruments	**Debt securities instruments**	**Total**
Costs/Amortised cost		**5,389**	**980,291**	**985,680**
Accumulated fair value change in other comprehensive income		**(723)**	**8,099**	**7,376**
Fair value		**4,666**	**988,390**	**993,056**
Allowance for impairment losses	30		**(2,525)**	**(2,525)**

	Note	31 December 2024		
		Equity instruments	Debt securities instruments	Total
Costs/Amortised cost		5,390	829,405	834,795
Accumulated fair value change in other comprehensive income		(688)	13,951	13,263
Fair value		4,702	843,356	848,058
Allowance for impairment losses	30		(2,558)	(2,558)

(Amounts in millions of Renminbi unless otherwise stated)

20 Financial investments (continued)

(b) Analysed by location of counterparties

	Note	**30 June 2025**	31 December 2024
In Chinese Mainland			
— governments		**1,400,904**	1,406,533
— policy banks		**115,017**	29,337
— banks and non-bank financial institutions		**803,745**	831,313
— corporates		**223,530**	130,868
Subtotal		**2,543,196**	2,398,051
Outside Chinese Mainland			
— governments		**56,373**	65,255
— banks and non-bank financial institutions		**113,555**	94,032
— corporates		**61,274**	57,938
— public entities		**8,477**	11,513
Subtotal		**239,679**	228,738
Accrued interest		**18,205**	20,246
Total		**2,801,080**	2,647,035
Less: Impairment allowance for financial assets at amortised cost	30	**(26,626)**	(26,165)
Net balance		**2,774,454**	2,620,870
Listed in Hong Kong		**34,617**	43,954
Listed outside Hong Kong		**2,473,140**	2,319,126
Unlisted		**266,697**	257,790
Total		**2,774,454**	2,620,870

Bonds traded in China's inter-bank bond market are listed outside Hong Kong.

(Amounts in millions of Renminbi unless otherwise stated)

20 Financial investments (continued)

(c) Analysed by assessment method of allowance for impairment losses

	30 June 2025			
	Stage one	**Stage two**	**Stage three**	**Total**
Financial assets at amortised costs	**1,066,094**	**9,987**	**43,304**	**1,119,385**
Accrued interest	**9,918**	**1,495**	**333**	**11,746**
Less: Allowance for impairment losses	**(1,801)**	**(1,683)**	**(23,142)**	**(26,626)**
Net balance	**1,074,211**	**9,799**	**20,495**	**1,104,505**
Financial assets at fair value through other comprehensive income	**988,094**	**–**	**296**	**988,390**
Accrued interest	**6,449**	**–**	**10**	**6,459**
Net balance	**994,543**	**–**	**306**	**994,849**
Total carrying amount of financial assets affected by credit risk	**2,068,754**	**9,799**	**20,801**	**2,099,354**
Allowance for impairment losses of financial assets at fair value through other comprehensive income included in other comprehensive income	**(1,758)**	**–**	**(767)**	**(2,525)**

	31 December 2024			
	Stage one	Stage two	Stage three	Total
Financial assets at amortised costs	1,077,295	8,921	45,117	1,131,333
Accrued interest	12,468	1,290	63	13,821
Less: Allowance for impairment losses	(1,901)	(1,046)	(23,218)	(26,165)
Net balance	1,087,862	9,165	21,962	1,118,989
Financial assets at fair value through other comprehensive income	842,850	–	506	843,356
Accrued interest	6,401	–	24	6,425
Net balance	849,251	–	530	849,781
Total carrying amount of financial assets affected by credit risk	1,937,113	9,165	22,492	1,968,770
Allowance for impairment losses of financial assets at fair value through other comprehensive income included in other comprehensive income	(1,787)	–	(771)	(2,558)

21 Investments in associates and joint ventures

	Note	**30 June 2025**	31 December 2024
Investments in joint ventures	(a)	**7,303**	7,009
Investments in associates	(b)	**338**	340
Total		**7,641**	7,349

(Amounts in millions of Renminbi unless otherwise stated)

21 Investments in associates and joint ventures (continued)

(a) Investment in joint ventures

The details of the joint ventures as at 30 June 2025 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	RMB5.634 billion
JSC Altyn Bank (Note (ii))	Stock company	Kazakhstan	50.1%	Financial services	7.05 billion KZT

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, decisions regarding all major activities of JSC Altyn Bank shall be subject to the joint approval of the Bank and the other 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 2025				
Name of Company	**Total assets**	**Total liabilities**	**Total net assets**	**Operating income**	**Net gain**
CITIC aiBank	**119,516**	**110,064**	**9,452**	**2,875**	**472**
JSC Altyn Bank	**15,982**	**14,044**	**1,938**	**453**	**282**

	As at or for the year ended 2024				
Name of Company	Total assets	Total liabilities	Total net assets	Operating income	Net gain
CITIC aiBank	117,290	108,245	9,045	4,626	652
JSC Altyn Bank	13,937	12,024	1,913	965	577

Movement of the Group's interests in the joint ventures:

	Six months ended 30 June 2025	Year ended 31 December 2024
Initial investment cost	**5,265**	5,265
As at 1 January	**7,009**	6,572
Dividend received	**(105)**	(137)
Other changes in equity	**(52)**	13
Share of net gain of the joint ventures for the period/year	**453**	743
Exchange difference	**(2)**	(182)
As at 30 June/31 December	**7,303**	7,009

(Amounts in millions of Renminbi unless otherwise stated)

21 Investments in associates and joint ventures (continued)

(b) Investment in associates

The Group holds its investment in associates through subsidiaries and details of the associates as at 30 June 2025 was 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%	Services and investment	RMB500 million

Financial statements of the associates are as follow:

	As at or for the period ended 30 June 2025				
Name of Company	**Total assets**	**Total liabilities**	**Total net assets**	**Operating income**	**Net gain**
CIAM	**580**	**37**	**543**	**9**	**3**
Tianjin Leasing Asset Trading Center	**474**	**35**	**439**	**–**	**–**

	As at or for the year ended 2024				
Name of Company	Total assets	Total liabilities	Total net assets	Operating income	Net loss
CIAM	585	39	546	(14)	(64)
Tianjin Leasing Asset Trading Center	474	35	439	2	(75)

Movement of the Group's interests in associates:

	Six months ended 30 June 2025	Year ended 31 December 2024
Initial investment cost	**1,058**	1,058
As at 1 January	**340**	373
Share of net gain/(loss) of associates for the period/year	**6**	(28)
Other changes in equity	**–**	2
Exchange difference	**(8)**	(7)
As at 30 June/31 December	**338**	340

(Amounts in millions of Renminbi unless otherwise stated)

22 Investments in subsidiaries

	Note	**30 June 2025**	31 December 2024
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**	4,000
— CITIC Wealth Management CO., LTD. ("CITIC Wealth")	(v)	**5,000**	5,000
Total		**30,249**	27,249

Major subsidiaries of the Group as at 30 June 2025 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%

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 issued by the Hong Kong Monetary Authority; 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 and related 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 RMB3 billion in cash, and CFLL increased its registered capital by RMB3 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.

(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.

(Amounts in millions of Renminbi unless otherwise stated)

23 Investment properties

	Six months ended 30 June 2025	Year ended 31 December 2024
Fair value as at 1 January	**578**	528
Change in fair value	**(49)**	4
Transfers	**–**	27
Exchange difference	**(16)**	19
Fair value as at 30 June/31 December	**513**	578

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 2025.

All investment properties of the Group were revalued at 30 June 2025 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**	**Computer equipment and others**	**Total**
Cost or deemed cost:				
As at 1 January 2025	**36,874**	**773**	**30,395**	**68,042**
Additions	**30**	**374**	**19,208**	**19,612**
Disposals	**(3)**	**–**	**(493)**	**(496)**
Exchange differences	**(14)**	**–**	**(154)**	**(168)**
As at 30 June 2025	**36,887**	**1,147**	**48,956**	**86,990**
Accumulated depreciation:				
As at 1 January 2025	**(10,440)**	**–**	**(11,086)**	**(21,526)**
Depreciation charges	**(552)**	**–**	**(1,376)**	**(1,928)**
Disposals	**2**	**–**	**399**	**401**
Exchange differences	**8**	**–**	**22**	**30**
As at 30 June 2025	**(10,982)**	**–**	**(12,041)**	**(23,023)**
Net carrying value:				
As at 1 January 2025	**26,434**	**773**	**19,309**	**46,516**
As at 30 June 2025 (Note (i))	**25,905**	**1,147**	**36,915**	**63,967**

(Amounts in millions of Renminbi unless otherwise stated)

24 Property, plant and equipment (continued)

	Buildings	Construction in progress	Computer equipment and others	Total
Cost or deemed cost:				
As at 1 January 2024	34,036	3,147	20,505	57,688
Additions	2,928	–	11,460	14,388
Disposals/Transfers	(107)	(2,374)	(1,657)	(4,138)
Exchange differences	17	–	87	104
As at 31 December 2024	36,874	773	30,395	68,042
Accumulated depreciation:				
As at 1 January 2024	(9,398)	–	(9,981)	(19,379)
Depreciation charges	(1,110)	–	(2,325)	(3,435)
Disposals/Transfers	79	–	1,245	1,324
Exchange differences	(11)	–	(25)	(36)
As at 31 December 2024	(10,440)	–	(11,086)	(21,526)
Net carrying value:				
As at 1 January 2024	24,638	3,147	10,524	38,309
As at 31 December 2024 (Note (i))	26,434	773	19,309	46,516

Note:

(i) As at 30 June 2025, the registration of certain buildings acquired has not been completed, and the net book value of such buildings was approximately RMB10,172 million (as at 31 December 2024: RMB10,411 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 2025	**21,469**	**1,221**	**66**	**78**	**22,834**
Additions	**1,446**	**–**	**–**	**1**	**1,447**
Disposals	**(1,013)**	**–**	**(1)**	**(19)**	**(1,033)**
Exchange differences	**(32)**	**–**	**–**	**–**	**(32)**
As at 30 June 2025	**21,870**	**1,221**	**65**	**60**	**23,216**
Accumulated depreciation:					
As at 1 January 2025	**(11,268)**	**(419)**	**(64)**	**(48)**	**(11,799)**
Accrual	**(1,489)**	**(15)**	**(1)**	**(5)**	**(1,510)**
Disposals	**968**	**–**	**1**	**19**	**988**
Exchange differences	**81**	**–**	**–**	**–**	**81**
As at 30 June 2025	**(11,708)**	**(434)**	**(64)**	**(34)**	**(12,240)**
Net carrying value:					
As at 1 January 2025	**10,201**	**802**	**2**	**30**	**11,035**
As at 30 June 2025	**10,162**	**787**	**1**	**26**	**10,976**

(Amounts in millions of Renminbi unless otherwise stated)

25 Right-of-use assets (continued)

	Buildings	Land use right	Equipment	Vehicles and others	Total
Cost or deemed cost:					
As at 1 January 2024	20,132	1,221	72	73	21,498
Additions	3,682	–	2	11	3,695
Disposals	(2,379)	–	(8)	(6)	(2,393)
Exchange differences	34	–	–	–	34
As at 31 December 2024	21,469	1,221	66	78	22,834
Accumulated depreciation:					
As at 1 January 2024	(10,356)	(389)	(70)	(40)	(10,855)
Accrual	(3,194)	(30)	(2)	(13)	(3,239)
Disposals	2,291	–	8	5	2,304
Exchange differences	(9)	–	–	–	(9)
As at 31 December 2024	(11,268)	(419)	(64)	(48)	(11,799)
Net carrying value:					
As at 1 January 2024	9,776	832	2	33	10,643
As at 31 December 2024	10,201	802	2	30	11,035

As at 30 June 2025, the balance of the Group's lease liabilities amounted to RMB10,980 million (31 December 2024: RMB10,861 million), including RMB2,950 million of lease liabilities that will mature within a year (31 December 2024: RMB2,912 million).

As at 30 June 2025, lease payments relating to lease contracts signed but to be executed amounted to RMB495 million (31 December 2024: RMB573 million).

For the six months ended 30 June 2025, 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 RMB119 million (for the six months ended 30 June 2024: RMB70 million).

26 Intangible assets

The Group's intangible assets mainly include computer software and data resources. As at 30 June 2025, in accordance with the Notice on Promulgation of the Interim 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 RMB5.79 million(31 December 2024: RMB5.79 million), the accumulated amortization was RMB1.82 million(31 December 2024: RMB0.85 million), and the net carrying amount was RMB3.97 million(31 December 2024: RMB4.94 million).

27 Goodwill

	Six months ended 30 June 2025	Year ended 31 December 2024
As at 1 January	**959**	926
Exchange difference	**(28)**	33
As at 30 June/31 December	**931**	959

(Amounts in millions of Renminbi unless otherwise stated)

28 Deferred tax assets/(liabilities)

	30 June 2025	31 December 2024
Deferred tax assets	**54,638**	54,130
Deferred tax liabilities	**(136)**	(39)
Net	**54,502**	54,091

(a) Analysed by nature and jurisdiction

	30 June 2025		31 December 2024	
	Deductible/ (taxable) temporary differences	**Deferred tax assets/ (liabilities)**	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)
Deferred tax assets				
— allowance for impairment losses	**221,224**	**55,168**	221,382	55,261
— fair value adjustments	**(21,329)**	**(5,353)**	(26,237)	(6,585)
— employee retirement benefits and salaries payable	**13,163**	**3,291**	15,830	3,957
— others	**5,977**	**1,532**	5,817	1,497
Subtotal	**219,035**	**54,638**	216,792	54,130
Deferred tax liabilities				
— fair value adjustments	**(680)**	**(117)**	(58)	(14)
— others	**(124)**	**(19)**	(158)	(25)
Subtotal	**(804)**	**(136)**	(216)	(39)
Total	**218,231**	**54,502**	216,576	54,091

(b) Offsetting of deferred tax assets and deferred tax liabilities

As at 30 June 2025, the deferred tax assets/liabilities offset by the Group were RMB8,015 million (31 December 2024: RMB9,277 million).

(c) Movement of deferred tax

	Allowance for impairment losses	**Fair value adjustments**	**Employee retirement benefits and accrued staff cost**	**Others**	**Total deferred tax**
As at 1 January 2025	**55,261**	**(6,599)**	**3,957**	**1,472**	**54,091**
Recognized in profit or loss	**(89)**	**(431)**	**(666)**	**38**	**(1,148)**
Recognized in other comprehensive income	**–**	**1,559**	**–**	**–**	**1,559**
Exchange differences	**(4)**	**1**	**–**	**3**	**–**
As at 30 June 2025	**55,168**	**(5,470)**	**3,291**	**1,513**	**54,502**
As at 1 January 2024	49,423	(2,540)	4,394	1,202	52,479
Recognized in profit or loss	5,833	(630)	(437)	299	5,065
Recognized in other comprehensive income	–	(3,434)	–	(26)	(3,460)
Exchange differences	5	5	–	(3)	7
As at 31 December 2024	55,261	(6,599)	3,957	1,472	54,091

(Amounts in millions of Renminbi unless otherwise stated)

29 Other assets

	Note	**30 June 2025**	31 December 2024
Advanced payments and settlement accounts		**59,061**	21,439
Assets with continuing involvement		**11,220**	11,582
Interest receivables	(i)	**10,067**	6,545
Precious metal leasing		**7,534**	7,692
Fee and commission receivables		**5,906**	6,807
Prepayments for properties and equipment		**4,819**	6,353
Other receivables		**2,473**	1,552
Repossessed assets	(ii)	**1,137**	1,154
Leasehold improvements		**947**	1,047
Prepaid rent		**17**	14
Others	(iii)	**16,264**	12,548
Total		**119,445**	76,733

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 RMB6,230 million (as at 31 December 2024: RMB7,019 million).

(ii) Repossessed assets

	Notes	**30 June 2025**	31 December 2024
Premises		**2,269**	2,284
Others		**2**	2
Gross balance		**2,271**	2,286
Less: Allowance for impairment losses	30	**(1,134)**	(1,132)
Net balance		**1,137**	1,154

As at 30 June 2025, 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 2024: Nil).

(iii) Others

Others include deferred expenses, advance payment of legal fees, advances for cases and risk events, etc.

(Amounts in millions of Renminbi unless otherwise stated)

30 Movements of allowance for impairment losses

	Notes	Six months ended 30 June 2025 As at 1 January	Charge/ (reversal) for the year	Write-offs/ transfer out	Others Notes (i)	As at 30 June
Allowance for credit impairment losses						
Deposits with bank and non-bank financial institutions	15	**56**	**8**	**–**	**–**	**64**
Placements with and loans to banks and non-bank financial institutions	16	**185**	**51**	**–**	**(1)**	**235**
Financial assets held under resale agreements	18	**87**	**–**	**–**	**–**	**87**
Loans and advances to customers	19	**139,240**	**25,466**	**(30,983)**	**5,602**	**139,325**
Financial investments						
— at amortised cost	20	**26,108**	**(73)**	**–**	**(2)**	**26,033**
— at fair value through other comprehensive income	20	**2,558**	**(8)**	**–**	**(25)**	**2,525**
Other financial assets and accrued interest		**12,073**	**3,433**	**(2,573)**	**212**	**13,145**
Off balance sheet credit assets	38	**9,721**	**693**	**–**	**(6)**	**10,408**
Subtotal		**190,028**	**29,570**	**(33,556)**	**5,780**	**191,822**
Allowance for impairment losses on other assets						
Other assets – repossessed assets	29	**1,132**	**16**	**(14)**	**–**	**1,134**
Subtotal		**1,132**	**16**	**(14)**	**–**	**1,134**

	Notes	Year ended 31 December 2024 As at 1 January	Charge/ (reversal) for the year	Write-offs/ transfer out	Others Notes (i)	As at 31 December
Allowance for credit impairment losses						
Deposits with bank and non-bank financial institutions	15	56	–	–	–	56
Placements with and loans to banks and non-bank financial institutions	16	143	42	–	–	185
Financial assets held under resale agreements	18	99	(12)	–	–	87
Loans and advances to customers	19	134,517	52,699	(60,724)	12,748	139,240
Financial investments						
— at amortised cost	20	26,239	3,104	(3,205)	(30)	26,108
— at fair value through other comprehensive income	20	1,968	735	(160)	15	2,558
Other financial assets and accrued interest		11,069	5,564	(5,848)	1,288	12,073
Off balance sheet credit assets	38	10,520	(1,087)	(41)	329	9,721
Subtotal		184,611	61,045	(69,978)	14,350	190,028
Allowance for impairment losses on other assets						
Other assets – repossessed assets	29	1,138	68	(74)	–	1,132
Subtotal		1,138	68	(74)	–	1,132

(Amounts in millions of Renminbi unless otherwise stated)

30 Movements of allowance for impairment losses (continued)

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 2025	31 December 2024
In Mainland China		
— banks	**155,029**	343,795
— non-bank financial institutions	**542,600**	616,466
Subtotal	**697,629**	960,261
Outside Mainland China		
— banks	**5,599**	5,661
— non-bank financial institutions	**361**	238
Subtotal	**5,960**	5,899
Accrued interest	**1,457**	2,332
Total	**705,046**	968,492

32 Placements from banks and non-bank financial institutions

Analysed by types and locations of counterparties

	30 June 2025	31 December 2024
In Mainland China		
— banks	**91,784**	69,555
Subtotal	**91,784**	69,555
Outside Mainland China		
— banks	**19,598**	18,707
— non-bank financial institutions	**55**	271
Subtotal	**19,653**	18,978
Accrued interest	**405**	17
Total	**111,842**	88,550

(Amounts in millions of Renminbi unless otherwise stated)

33 Financial assets sold under repurchase agreements

(a) Analysed by type and location of counterparties

	30 June 2025	31 December 2024
In Mainland China		
— PBOC	**296,320**	196,732
— Banks	**21,774**	66,474
Subtotal	**318,094**	263,206
Outside Mainland China		
— Banks	**28,396**	14,561
Subtotal	**28,396**	14,561
Accrued interest	**673**	236
Total	**347,163**	278,003

(b) Analysed by type of collateral

	30 June 2025	31 December 2024
Debt securities	**315,510**	201,035
Discounted bills	**30,980**	76,732
Accrued interest	**673**	236
Total	**347,163**	278,003

The Group did not derecognize financial assets transferred as collateral in connection with financial assets sold under repurchase agreements. As at 30 June 2025, 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 2025	31 December 2024
Demand deposits		
— corporate customers	**2,018,056**	1,986,104
— personal customers	**501,151**	439,965
Subtotal	**2,519,207**	2,426,069
Time and call deposits		
— corporate customers	**2,218,007**	2,062,315
— personal customers	**1,281,360**	1,221,680
Subtotal	**3,499,367**	3,283,995
Outward remittance and remittance payables	**88,333**	68,167
Accrued interest	**85,187**	86,080
Total	**6,192,094**	5,864,311

(Amounts in millions of Renminbi unless otherwise stated)

34 Deposits from customers (continued)

Guarantee deposits included in above deposits:

	30 June 2025	31 December 2024
Bank acceptances	**499,878**	465,609
Guarantees	**24,423**	21,411
Letters of credit	**44,327**	43,450
Others	**34,265**	30,284
Total	**602,893**	560,754

35 Accrued staff costs

		Six months ended 30 June 2025			
	Note	As at 1 January	Additions during the period	Reductions during the period	As at 30 June
Salaries and bonuses		**19,091**	**10,864**	**(13,778)**	**16,177**
Social insurance		**10**	**1,407**	**(1,407)**	**10**
Welfare expenses		**5**	**577**	**(579)**	**3**
Housing fund		**7**	**1,117**	**(1,117)**	**7**
Labor union expenses and employee education expenses		**1,079**	**300**	**(238)**	**1,141**
Post-employment benefits — defined contribution plans	(a)	**18**	**2,329**	**(2,329)**	**18**
Post-employment benefits — defined benefit plans	(b)	**17**	**–**	**–**	**17**
Other benefits		**91**	**226**	**(234)**	**83**
Total		**20,318**	**16,820**	**(19,682)**	**17,456**

		Year ended 31 December 2024			
	Note	As at 1 January	Additions during the year	Reductions during the year	As at 31 December
Salaries and bonuses		21,238	28,000	(30,147)	19,091
Social insurance		10	2,208	(2,208)	10
Welfare expenses		3	1,571	(1,569)	5
Housing fund		7	2,179	(2,179)	7
Labor union expenses and employee education expenses		952	915	(788)	1,079
Post-employment benefits — defined contribution plans	(a)	18	4,490	(4,490)	18
Post-employment benefits — defined benefit plans	(b)	17	–	–	17
Other benefits		175	321	(405)	91
Total		22,420	39,684	(41,786)	20,318

(Amounts in millions of Renminbi unless otherwise stated)

35 Accrued staff costs (continued)

(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 2025, the Bank has made annuity contributions at 8% (31 December 2024: 8%) of its employees' gross wages. For six months ended 30 June 2025, the Bank made annuity contribution amounted to RMB966 million (year ended 30 June 2024: RMB914 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.

(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.

Except for the aforementioned contributions, the Group has no other material obligations for payment of retirement benefits.

36 Taxes payable

	30 June 2025	31 December 2024
Income tax	**1,661**	3,297
VAT and surcharges	**3,780**	3,708
Others	**120**	640
Total	**5,561**	7,645

37 Debt securities issued

	Note	**30 June 2025**	31 December 2024
Long-term debt securities issued	(a)	**224,310**	207,454
Subordinated bonds issued:			
— by the Bank	(b)	**109,993**	69,992
— by CBI	(c)	**3,565**	3,628
Certificates of deposit issued	(d)	**717**	1,460
Certificates of interbank deposit issued	(e)	**1,033,057**	930,954
Convertible corporate bonds	(f)	**–**	7,034
Accrued interest		**4,798**	3,516
Total		**1,376,440**	1,224,038

(Amounts in millions of Renminbi unless otherwise stated)

37 Debt securities issued (continued)

(a) Long-term debt securities issued by the Group as at 30 June 2025:

Bond Type	Start Date	Maturity Date	Annual Interest Rate	**30 June 2025 Nominal Value RMB**	31 December 2024 Nominal Value RMB
Fixed rate bond	2 February 2021	2 February 2026	1.250%	**2,508**	2,554
Fixed rate bond	28 April 2022	28 April 2025	2.800%	**–**	30,000
Fixed rate bond	5 August 2022	5 August 2025	2.500%	**30,000**	30,000
Fixed rate bond	27 March 2023	27 March 2026	2.790%	**10,000**	10,000
Fixed rate bond	13 April 2023	13 April 2026	2.770%	**30,000**	30,000
Fixed rate bond	16 May 2023	16 May 2026	2.680%	**10,000**	10,000
Fixed rate bond	22 April 2024	17 April 2025	3.400%	**–**	1,335
Floating rate bond	2 July 2024	9 July 2027	SOFR +0.550%	**2,150**	2,190
Fixed rate bond	12 July 2024	12 July 2027	2.100%	**40,000**	40,000
Fixed rate bond	8 August 2024	6 August 2025	3.200%	**700**	700
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**	–
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**	–
Fixed rate bond	8 May 2025	7 May 2026	1.950%	**220**	–
Fixed rate bond	20 May 2025	20 May 2028	1.660%	**10,000**	–
Fixed rate bond	18 June 2025	22 September 2025	1.780%	**144**	–
Fixed rate bond	19 June 2025	19 June 2028	2.400%	**1,100**	–
Fixed rate bond	25 June 2025	24 June 2026	1.850%	**350**	–
Fixed rate bond	26 June 2025	25 June 2026	1.800%	**300**	–
Total nominal value				**224,332**	207,479
Less: Unamortised issuance cost				**(20)**	(25)
Less: offset				**(2)**	–
Carrying value				**224,310**	207,454

(Amounts in millions of Renminbi unless otherwise stated)

37 Debt securities issued (continued)

(b) The carrying value of the Bank's subordinated bonds issued:

	Note	**30 June 2025**	31 December 2024
Subordinated fixed rate bonds maturing:			
— in August 2030	(i)	**39,996**	39,996
— in December 2033	(ii)	**21,497**	21,496
— in May 2035	(iii)	**40,000**	–
— in December 2038	(iv)	**8,500**	8,500
Total		**109,993**	69,992

Notes:

(i) The Bank issued fixed-rate subordinated bonds on 14 August 2020 with a coupon rate of 3.87% per annum. The Bank has the option to redeem the bonds on 14 August 2025. If the Bank does not exercise this option, the coupon rate will remain 3.87% per annum for the next five years.

(ii) 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.

(iii) 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.

(iv) 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 CBI's subordinated bonds issued:

	Note	**30 June 2025**	31 December 2024
Subordinated fixed rate notes maturing:			
— in December 2033	(i)	**3,565**	3,628
Total		**3,565**	3,628

Note:

(i) CBI issued USD500 million subordinated notes at a coupon rate of 6.00% per annum on 5 December 2023. CBI has an option to redeem these notes on each coupon payment date on and after 5 December 2028. If CBI 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) These certificates of deposit were issued by CBI with interest rate 4.55%.

(e) As at 30 June 2025, the Bank's outstanding large transferable certificates of interbank deposits amounted to RMB1,032,196 million (31 December 2024: RMB930,759 million), with reference yields ranging from 1.54% to 2.07% per annum (31 December 2024: 1.55% to 2.46%). Their original expiry terms range from one month to one year.

(Amounts in millions of Renminbi unless otherwise stated)

37 Debt securities issued (continued)

(f) As approved by the relevant regulatory authorities in China, the Bank made a public offering of RMB40 billion A-shares convertible corporate bonds on 4 March 2019. The convertible corporate bonds have a term of six years from 4 March 2019 to 3 March 2025, at coupon rates of 0.3% for the first year, 0.8% for the second year, 1.5% for the third year, 2.3% for the fourth year, 3.2% for the fifth year and 4.0% for the sixth year. The conversion of these convertible corporate bonds begins on the first trading day (11 September 2019) after six months upon the completion date of the offering, until the maturity date (3 March 2025).

In accordance with formulas set out in the prospectus of the convertible corporate bonds, the initial conversion price of the convertible corporate bonds is RMB7.45 per share, and the price of the convertible corporate bonds will be adjusted to reflect the dilutive impact of cash dividends and increase in paid-in capital under specified circumstances. On 11 December 2024, the conversion price of the convertible corporate bonds has been adjusted to RMB5.59 per share. During the conversion period (from 4 March 2019 to 3 March 2025), if the closing price of the Bank's A shares is lower than 80% of the current conversion price for at least 15 trading days in any 30 consecutive trading days, the Board of Directors of the Bank has the right to propose to lower the conversion price and submit the proposal to the shareholders' meeting for deliberation.

These convertible corporate bonds are subject to conditional redemptions. During their conversion period, if the closing prices of the Bank's A-shares are no less than 130% (inclusive) of the current conversion price for at least 15 trading days in 30 consecutive trading days, the Bank has the right to redeem all or part of the outstanding convertible corporate bonds at their par value plus the current accrued interest, upon approval of the relevant regulatory authorities (if required). In addition, when the total amount of the outstanding convertible corporate bonds is less than RMB30 million, the Bank has the right to redeem all outstanding convertible corporate bonds at their par value plus the current accrued interest.

Since 4 March 2025, these convertible bonds have been delisted on the Shanghai Stock Exchange. As at 30 June 2025, convertible corporate bonds of RMB39,943 million were converted to 6,710,365,691 A shares.

	Liability	Equity	Total
Issued nominal value of convertible corporate bonds	**36,859**	**3,141**	**40,000**
Direct issuance expenses	**(74)**	**(6)**	**(80)**
Balance at the issuance date	**36,785**	**3,135**	**39,920**
Accumulated amortisation as at 1 January 2025	**3,215**	**–**	**3,215**
Accumulated conversion amount as at 1 January 2025	**(32,966)**	**(2,584)**	**(35,550)**
Balance as at 1 January 2025	**7,034**	**551**	**7,585**
Conversion amount during this period	**(6,977)**	**(551)**	**(7,528)**
Settlement amount during this period	**(57)**	**–**	**(57)**
Balance as at 30 June 2025	**–**	**–**	**–**

(Amounts in millions of Renminbi unless otherwise stated)

38 Provisions

	30 June 2025	31 December 2024
Allowance for impairment losses on off balance sheet items	**10,408**	9,721
Litigation provisions	**271**	269
Total	**10,679**	9,990

The movement of off-balance sheet allowance for impairment losses is included in the Note 30.

Movement of provisions:

	Six months 30 June 2025	Year ended 31 December 2024
As at 1 January	**269**	326
Accruals/(Reversals)	**2**	(19)
Payment	**–**	(38)
As at 30 June/31 December	**271**	269

39 Other liabilities

	30 June 2025	31 December 2024
Settlement and clearing accounts	**17,495**	11,711
Continuing involvement liabilities	**11,220**	11,582
Dividends payable	**9,582**	2,523
Other payables	**5,035**	5,628
Advances and deferred expenses	**4,588**	3,823
Payment and collection accounts	**2,813**	2,409
Leasing deposits	**1,355**	814
Accrued expenses	**625**	279
Others	**8,816**	7,309
Total	**61,529**	46,078

(Amounts in millions of Renminbi unless otherwise stated)

40 Share capital

	Number of shares and Nominal Value (millions)	
	30 June 2025	31 December 2024
Ordinary shares		
Registered, issued and fully paid:		
A-Share	**40,763**	39,515
H-Share	**14,882**	14,882
Total	**55,645**	54,397

	Note	Six months 30 June 2025	Year ended 31 December 2024
As at 1 January		**54,397**	48,967
Convertible bond settlement	(i)	**1,248**	5,430
As at 30 June/31 December		**55,645**	54,397

Note:

(i) For the six months ended 30 June 2025, convertible corporate bonds of RMB6,977,169,000 were converted 1,248,148,483 A-shares (In 2024, convertible corporate bonds of RMB32,759,741,000 were converted to 5,430,147,827 A-shares).

41 Other equity instruments

	30 June 2025	31 December 2024
Preference shares (Note (i))	**34,955**	34,955
Perpetual bonds (Note (ii))	**69,993**	69,993
Equity of convertible corporate bonds (Note 37(f))	**–**	551
Total	**104,948**	105,499

(i) Preference shares

Financial instruments in issue	Dividend rate	Issued price (RMB)	Issued number of shares (RMB millions)	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 RMB100 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.

41 Other equity instruments (continued)

(i) Preference shares (continued)

The carrying amount of preference shares, net of direct issuance expenses, was RMB34,955 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 RMB7.07 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.

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 RMB40 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 4.20%, resetting every 5 years.

On 26 April 2024, the Bank issued RMB30 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.

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.

(Amounts in millions of Renminbi unless otherwise stated)

41 Other equity instruments (continued)

(ii) Perpetual bonds (continued)

These perpetual bonds are classified as equity instruments, and presented as equity in the consolidated statement of financial position; and are qualified as Additional Tier-One Capital Instruments in accordance with the NFRA requirements.

Interests attributable to equity instruments' holder:

	30 June 2025	31 December 2024
Total equity attributable to equity holders of the Bank	**814,301**	789,264
Equity attributable to ordinary equity holders of the Bank	**709,353**	683,765
Equity attributable to other equity instruments holders of the Bank	**104,948**	105,499
— Dividend distribution for the period	**2,406**	4,788
Total equity attributable to non-controlling interests	**18,664**	18,101
Equity attribute to non-controlling interests of ordinary shares	**10,974**	10,411
Equity attributable to non-controlling interests of other equity instruments	**7,690**	7,690

During the six months ended 30 June 2025, no dividends payment was paid to the preference shareholders (2024: RMB1,428 million), RMB2,406 million was paid to to holders of perpetual bonds (2024: RMB3,360 million).

42 Capital reserves

	30 June 2025	31 December 2024
Share premium	**95,249**	88,969
Other reserves	**317**	317
Total	**95,566**	89,286

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.

(Amounts in millions of Renminbi unless otherwise stated)

44 Surplus reserve

	Six months 30 June 2025	Year ended 31 December 2024
As at 1 January	**67,629**	60,992
Appropriations	**–**	6,637
As at 30 June/31 December	**67,629**	67,629

Under the relevant PRC Laws, the Bank and the Bank'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 30 June 2025	Year ended 31 December 2024
As at 1 January	**111,723**	105,127
Appropriations	**172**	6,596
As at 30 June/31 December	**111,895**	111,723

Pursuant to relevant Ministry of Finance ("MOF") notices, the Bank and the Group's banking subsidiaries in Mainland China are required to set aside a general reserve to cover potential losses against their assets. The Bank and the Group make its appropriation on an annual basis.

CITIC Wealth shall draw operational risk reserves on a monthly basis according to the Administrative Measures for Financial 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 Administrative Measures for Financial Subsidiaries of General reserve. As at 30 June 2025, a total of RMB3,627 million of corresponding risk provisions was drawn(31 December 2024: RMB3,455 million).

(Amounts in millions of Renminbi unless otherwise stated)

46 Profit appropriations and retained earnings

(a) The proposal of cash dividend of RMB1.722 per ten ordinary shares related to 2024, amounting to RMB9,582 million in total was approved at the Annual General Meeting held on 20 June 2025. The cash dividends were recognized as dividends payable as at 30 June 2025.

(b) On 26 April 2021, the Bank issued RMB40 billion write-down undated capital bonds in the domestic interbank bond market. The Bank paid RMB1,680 million in interest at a coupon rate of 4.20% to investors of perpetual bonds on 26 April 2025.

On 26 April 2024, the Bank issued RMB30 billion write-down undated capital bonds in the domestic interbank bond market. The Bank paid RMB726 million in interest at a coupon rate of 2.42% to investors of perpetual bonds on 26 April 2025.

(c) As at 30 June 2025, the retained earnings included the statutory surplus reserves of certain subsidiaries of RMB1,517 million (31 December 2024: RMB1,517 million). Such statutory surplus reserves cannot be distributed.

47 Non-controlling interests

As at 30 June 2025, 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 2024: 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
Capital Securities	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
Capital Securities	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 RMB174 million was paid to the holders of the Capital Securities mentioned above during the six months ended 30 June 2025 (During the six months ended 30 June 2024: RMB173 million).

(Amounts in millions of Renminbi unless otherwise stated)

48 Notes to consolidated interim statement of cash flows

Cash and cash equivalents

	30 June 2025	30 June 2024
Cash	**4,256**	4,151
Cash equivalents		
— Surplus deposit reserve funds	**78,902**	57,256
— Deposits with banks and non-bank financial institutions due within three months when acquired	**59,937**	58,884
— Placements with and loans to banks and non-bank financial institutions due within three months when acquired	**52,664**	53,819
— Investment securities due within three months when acquired	**60,905**	42,670
Subtotal	**252,408**	212,629
Total	**256,664**	216,780

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.

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 2025	31 December 2024
Contractual amount		
Loan commitments		
— with an original maturity within one year	**13,245**	16,885
— with an original maturity of one year or above	**45,895**	37,179
Subtotal	**59,140**	54,064
Bank acceptances	**959,603**	854,489
Credit card commitments	**777,496**	812,562
Letters of guarantee issued	**283,318**	273,578
Letters of credit issued	**344,107**	324,861
Total	**2,423,664**	2,319,554

(Amounts in millions of Renminbi unless otherwise stated)

49 Commitments and contingent liabilities (continued)

(b) Credit commitments analysed by credit risk weighted amount

	30 June 2025	31 December 2024
Credit risk weighted amount of credit commitments	**721,109**	679,525

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

(i) The Group had the following authorised capital commitments at the reporting date:

	30 June 2025	31 December 2024
For the purchase of property and equipment — contracted for	**1,091**	1,055

(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 2025, the Group was involved in certain pending litigation as defendant with gross claims of RMB1,874 million (as at 31 December 2024: RMB1,326 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 2025	31 December 2024
Redemption commitment for PRC treasury bonds	**2,922**	2,615

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.

(Amounts in millions of Renminbi unless otherwise stated)

49 Commitments and contingent liabilities (continued)

(f) Underwriting obligations

As at 30 June 2025 and 31 December 2024, the Group and the Bank 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 2025	31 December 2024
Debt securities	**374,329**	256,705
Discounted bills	**31,018**	76,894
Total	**405,347**	333,599

As at 30 June 2025 and 31 December 2024, the Group's and the Bank'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 2025, the Group pledged deposits with banks and other financial institutions with carrying amount totalling RMB1,528 million (31 December 2024: RMB1,542 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 2025, the Group held no collateral that can be resold or re-pledged (31 December 2024: Nil). During the six months ended 30 June 2025, the Group did not resell or re-pledge any of these collateral (Six months ended 30 June 2024: Nil).

(Amounts in millions of Renminbi unless otherwise stated)

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 statement of financial position. Income received and receivable for providing these services is included in the consolidated statement of profit or loss as fee income.

At the reporting date, the entrusted assets and liabilities were as follows:

	30 June 2025	31 December 2024
Entrusted loans	**449,282**	449,034
Entrusted funds	**449,282**	449,035

(b) Wealth management services

As at 30 June 2025, the amount of total assets invested by these non-principal guaranteed wealth management products issued by the Group was disclosed in 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 other debt 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 management services. Income is recognized in the interim consolidated 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 2025, the total investment of non-principal guaranteed wealth management products managed by the Group that was not included in the Group's consolidated 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.

(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 taking 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.

(Amounts in millions of Renminbi unless otherwise stated)

52 Segment reporting (continued)

(a) Business segments (continued)

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.

	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	530	20	16,906
Other net income (Note (i))	1,549	460	14,228	1,082	17,319
Operating income	49,074	40,488	15,197	667	105,426
Operating expenses					
— depreciation and amortisation	(1,158)	(887)	(1,246)	(439)	(3,730)
— others	(11,250)	(13,051)	(926)	(671)	(25,898)
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

	30 June 2025				
	Corporate Banking	Personal Banking	Treasury Business	Others and Unallocated	Total
Segment assets	3,354,426	2,329,540	3,526,305	585,916	9,796,187
Interest in associates and joint ventures	–	–	–	7,641	7,641
Deferred tax assets					54,638
Total asset					9,858,466
Segment liabilities	4,440,810	1,884,417	861,638	1,838,500	9,025,365
Deferred tax liabilities					136
Total liabilities					9,025,501
Off-balance sheet credit commitments	1,644,765	778,899	–	–	2,423,664

(Amounts in millions of Renminbi unless otherwise stated)

52 Segment reporting (continued)

(a) Business segments (continued)

Others and unallocated (continued)

	Six months ended 30 June 2024				
	Corporate Banking	Personal Banking	Treasury Business	Others and Unallocated	Total
External net interest income/ (expense)	26,685	41,573	19,818	(15,468)	72,608
Internal net interest income/ (expense)	12,005	(9,967)	(19,193)	17,155	–
Net interest income	38,690	31,606	625	1,687	72,608
Net fee and commission income/ (expense)	5,867	10,203	270	13	16,353
Other net income (Note (i))	2,482	1,655	15,478	64	19,679
Operating income	47,039	43,464	16,373	1,764	108,640
Operating expenses					
— depreciation and amortisation	(1,340)	(1,104)	(1,441)	(471)	(4,356)
— others	(10,544)	(14,136)	(444)	(1,478)	(26,602)
Credit impairment losses	(8,943)	(25,537)	(1,044)	1,154	(34,370)
Impairment losses on other assets	(30)	(13)	–	–	(43)
Revaluation loss on investment properties	–	–	–	(8)	(8)
Share of profits of associates and joint ventures	–	–	–	490	490
Profit before tax	26,182	2,674	13,444	1,451	43,751
Income tax					(7,880)
Profit for the period					35,871
Capital expenditure	231	200	246	206	883

	31 December 2024				
	Corporate Banking	Personal Banking	Treasury Business	Others and Unallocated	Total
Segment assets	3,016,097	2,342,470	3,554,046	558,630	9,471,243
Interest in associates and joint ventures	–	–	–	7,349	7,349
Deferred tax assets					54,130
Total asset					9,532,722
Segment liabilities	4,167,546	1,764,899	1,198,792	1,594,081	8,725,318
Deferred tax liabilities					39
Total liabilities					8,725,357
Off-balance sheet credit commitments	1,505,475	814,079	–	–	2,319,554

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 and CFLL 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;

— "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.

(Amounts in millions of Renminbi unless otherwise stated)

52 Segment reporting (continued)

(b) Geographical segments (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	9,298	1,289	–	16,906
Other net income (Note (i))	579	310	1,174	341	218	50	13,481	1,166	–	17,319
Operating income	20,261	8,441	15,150	8,368	6,220	907	39,940	6,139	–	105,426
Operating expense										
— depreciation and amortisation	(519)	(384)	(451)	(332)	(342)	(82)	(1,328)	(292)	–	(3,730)
— others	(4,569)	(2,393)	(3,557)	(2,508)	(2,233)	(486)	(7,938)	(2,214)	–	(25,898)
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

	30 June 2025									
	Yangtze River Delta	Pearl River Delta and West Strait	Bohai Rim	Central	Western	Northeastern	Head Office	Overseas	Elimination	Total
Segment assets	2,196,053	1,121,632	2,139,347	898,924	763,734	137,719	3,621,006	561,573	(1,643,801)	9,796,187
Interest in associates and joint ventures	–	–	–	–	–	–	7,303	338	–	7,641
Deferred tax assets										54,638
Total assets										9,858,466
Segment liabilities	2,090,500	1,079,871	1,897,374	880,737	741,454	134,803	3,354,633	489,794	(1,643,801)	9,025,365
Deferred tax liabilities										136
Total liabilities										9,025,501
Off-balance sheet credit commitments	472,456	306,134	304,217	325,647	189,118	23,121	766,637	36,334	–	2,423,664

(Amounts in millions of Renminbi unless otherwise stated)

52 Segment reporting (continued)

(b) Geographical segments (continued)

	Six months ended 30 June 2024									
	Yangtze River Delta	Pearl River Delta and West Strait	Bohai Rim	Central	Western	Northeastern	Head Office	Overseas	Elimination	Total
External net interest income	16,528	6,260	605	9,804	8,249	421	26,988	3,753	–	72,608
Internal net interest (expense)/income	(1,483)	596	10,509	(2,453)	(2,819)	377	(4,736)	9	–	–
Net interest income	15,045	6,856	11,114	7,351	5,430	798	22,252	3,762	–	72,608
Net fee and commission income	2,876	718	1,404	655	431	62	9,278	929	–	16,353
Other net income (Note (i))	662	347	696	421	265	31	16,480	777	–	19,679
Operating income	18,583	7,921	13,214	8,427	6,126	891	48,010	5,468	–	108,640
Operating expense										
— depreciation and amortisation	(533)	(397)	(447)	(326)	(351)	(93)	(1,932)	(277)	–	(4,356)
— others	(3,683)	(2,046)	(3,806)	(1,948)	(1,734)	(439)	(11,289)	(1,657)	–	(26,602)
Credit impairment losses	(4,699)	(4,476)	(5,254)	(2,696)	(2,591)	(172)	(12,555)	(1,927)	–	(34,370)
Impairment losses on other assets	–	–	–	(9)	(21)	–	–	(13)	–	(43)
Revaluation loss on investment properties	–	–	–	–	–	–	–	(8)	–	(8)
Share of gains of associates and joint ventures	–	–	–	–	–	–	463	27	–	490
Profit before tax	9,668	1,002	3,707	3,448	1,429	187	22,697	1,613	–	43,751
Income tax										(7,880)
Profit for the period										35,871
Capital expenditure	54	22	91	46	48	66	59	497	–	883

	31 December 2024									
	Yangtze River Delta	Pearl River Delta and West Strait	Bohai Rim	Central	Western	Northeastern	Head Office	Overseas	Elimination	Total
Segment assets	2,080,747	1,080,806	2,010,887	900,004	750,011	132,623	3,544,471	520,058	(1,548,364)	9,471,243
Interest in associates and joint ventures	–	–	–	–	–	–	7,009	340	–	7,349
Deferred tax assets										54,130
Total assets										9,532,722
Segment liabilities	2,048,244	1,142,811	1,925,658	888,016	762,263	133,944	2,927,282	445,464	(1,548,364)	8,725,318
Deferred tax liabilities										39
Total liabilities										8,725,357
Off-balance sheet credit commitments	399,571	292,758	273,121	307,856	180,892	23,965	801,306	40,085	–	2,319,554

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 business expansion, is unable to sufficiently, timely or 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, credit rating and credit granting, 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.

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.

53 Financial risk management (continued)

(a) Credit risk (continued)

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.

The Group measures ECLs of financial assets through testing 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 for key parameters, such as probability of default (PD) and loss given default (LGD); and 2) the forward-looking adjustment model for multi-scenario forecasts based on the key parameters. The expected credit losses of financial assets are assessed individually by measuring PDs, LGDs and forward-looking adjustments. 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.

53 Financial risk management (continued)

(a) Credit risk (continued)

Measurement of expected credit losses ("ECL") (continued)

(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, or pre-set upper limit 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.

(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.

53 Financial risk management (continued)

(a) Credit risk (continued)

Measurement of expected credit losses ("ECL") (continued)

(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 and is calculated on a 12-month or lifetime basis.

- 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.

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 2025, 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 applies 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.

(Amounts in millions of Renminbi unless otherwise stated)

53 Financial risk management (continued)

(a) Credit risk (continued)

Measurement of expected credit losses ("ECL") (continued)

(5) Forward-looking information (continued)

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 dataexpert forecasts, and the best estimate of future, outcomes, the Group makes regular forecasts of the 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 gross demestic product, currency in circulation and per capita consumption expenditure of urban residents, etc., are basically consistent with the forecasts of research institutions.

As at 30 June 2025, considered different macroeconomic scenarios and the key macroeconomic scenario assumptions uesd in estimating ECL are set out below:

Variables	Range
Gross Demestic Product (constant price, year-on-year growth, quarterly)	4.15% – 5.85%
Currency in Circulation (year-on-year growth, monthly)	7.87% – 12.15%
Per capita Consumption Expenditure of Urban Residents (cumulative year-on-year growth)	2.72% – 7.14%

Currently, the weighting of neutral scenario is equal to the sum of the weightings of other scenarios. 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.

Considering the portfolios that cannot be modeled by regression, such as those with extremely low default rate or without appropriate internal rating data, the Group mainly adopts the expected loss ratio of similar portfolios with established regression models, in order to expand the coverage of the existing ECL model.

(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 2025, 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 2025, 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.

(Amounts in millions of Renminbi unless otherwise stated)

53 Financial risk management (continued)

(a) Credit risk (continued)

Measurement of expected credit losses ("ECL") (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 2025				
	Stage 1	**Stage 2**	**Stage 3**	**Not applicable**	**Total**
Balances with central banks	**381,570**	**–**	**–**	**–**	**381,570**
Deposits with bank and non-bank financial institutions	**88,304**	**–**	**–**	**–**	**88,304**
Placements with and loans to banks and non-bank financial institutions	**442,556**	**–**	**–**	**26,590**	**469,146**
Derivative financial assets	**–**	**–**	**–**	**52,069**	**52,069**
Financial assets held under resale agreements	**115,331**	**–**	**–**	**–**	**115,331**
Loans and advances to customers	**5,567,196**	**80,605**	**21,990**	**13,467**	**5,683,258**
Financial investments					
— at fair value through profit or loss	**–**	**–**	**–**	**670,434**	**670,434**
— at amortised cost	**1,074,211**	**9,799**	**20,495**	**–**	**1,104,505**
— at fair value through other comprehensive income	**994,543**	**–**	**306**	**–**	**994,849**
— designated at fair value through other comprehensive income	**–**	**–**	**–**	**4,666**	**4,666**
Other financial assets	**34,375**	**8,876**	**664**	**–**	**43,915**
Subtotal	**8,698,086**	**99,280**	**43,455**	**767,226**	**9,608,047**
Credit commitments	**2,422,843**	**737**	**84**	**–**	**2,423,664**
Maximum credit risk exposure	**11,120,929**	**100,017**	**43,539**	**767,226**	**12,031,711**

(Amounts in millions of Renminbi unless otherwise stated)

53 Financial risk management (continued)

(a) Credit risk (continued)

Measurement of expected credit losses ("ECL") (continued)

(i) Maximum credit risk exposure (continued)

	31 December 2024				
	Stage 1	Stage 2	Stage 3	Not applicable	Total
Balances with central banks	336,178	–	–	–	336,178
Deposits with bank and non-bank financial institutions	128,193	–	–	–	128,193
Placements with and loans to banks and non-bank financial institutions	382,012	–	–	22,789	404,801
Derivative financial assets	–	–	–	85,929	85,929
Financial assets held under resale agreements	136,265	–	–	–	136,265
Loans and advances to customers	5,477,446	91,553	20,839	11,612	5,601,450
Financial investments					
— at fair value through profit or loss	–	–	–	647,398	647,398
— at amortised cost	1,087,862	9,165	21,962	–	1,118,989
— at fair value through other comprehensive income	849,251	–	530	–	849,781
— designated at fair value through other comprehensive income	–	–	–	4,702	4,702
Other financial assets	20,221	9,813	862	–	30,896
Subtotal	8,417,428	110,531	44,193	772,430	9,344,582
Credit commitments	2,318,250	1,209	95	–	2,319,554
Maximum credit risk exposure	10,735,678	111,740	44,288	772,430	11,664,136

According to the quality of assets, the Group classified the credit rating of the financial assets as risk level 1, risk level 2, risk level 3 and default. "Risk level 1" refers to customers who have competitive advantages among local peers with good foundations, outstanding operation results, strong operational and financial strength, and/or good corporate governance structure. "Risk level 2" refers to customers who are in the middle tier among local peers with fair foundations, fair operation results, fair operational and financial strength, and/or fair corporate governance structure. "Risk level 3" refers to customers who are in the lower tier among local peers, with weak foundations, poor operation results, poor operational and financial strength, and/or deficiency in corporate governance structure. The definition of "Default" is same as the definition of credit impaired. The credit rating is used for internal risk management.

(Amounts in millions of Renminbi unless otherwise stated)

53 Financial risk management (continued)

(a) Credit risk (continued)

Measurement of expected credit losses ("ECL") (continued)

(i) Maximum credit risk exposure (continued)

The following table provides an analysis of loans and advances to customers and financial investments that are included in the ECL assessment according to the credit risk level. The book value of the following financial assets is the Group's maximum exposure to credit risk for these assets.

	30 June 2025						
	Risk level 1	**Risk level 2**	**Risk level 3**	**Default**	**Subtotal**	**Allowance for impairment losses**	**Net balance**
Loans and advances to customers (Note (i))							
Stage 1	**3,529,622**	**1,856,652**	**246,305**	**–**	**5,632,579**	**(65,383)**	**5,567,196**
Stage 2	**711**	**12,593**	**93,857**	**–**	**107,161**	**(26,556)**	**80,605**
Stage 3	**–**	**–**	**–**	**71,798**	**71,798**	**(49,808)**	**21,990**
Financial investments at amortised cost							
Stage 1	**1,056,602**	**18,261**	**1,149**	**–**	**1,076,012**	**(1,801)**	**1,074,211**
Stage 2	**3,437**	**1,708**	**6,337**	**–**	**11,482**	**(1,683)**	**9,799**
Stage 3 (Note (ii))	**–**	**–**	**–**	**43,637**	**43,637**	**(23,142)**	**20,495**
Financial investments at fair value through other comprehensive income							
Stage 1	**994,324**	**219**	**–**	**–**	**994,543**	**(1,758)**	**994,543**
Stage 2	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Stage 3	**–**	**–**	**–**	**306**	**306**	**(767)**	**306**
Maximum credit risk exposure	**5,584,696**	**1,889,433**	**347,648**	**115,741**	**7,937,518**	**(170,898)**	**7,769,145**

	31 December 2024						
	Risk level 1	Risk level 2	Risk level 3	Default	Subtotal	Allowance for impairment losses	Net balance
Loans and advances to customers (Note (i))							
Stage 1	3,584,584	1,720,473	234,430	–	5,539,487	(62,041)	5,477,446
Stage 2	1,389	19,577	100,040	–	121,006	(29,453)	91,553
Stage 3	–	–	–	69,738	69,738	(48,899)	20,839
Financial investments at amortised cost							
Stage 1	1,056,949	32,325	489	–	1,089,763	(1,901)	1,087,862
Stage 2	637	5,488	4,086	–	10,211	(1,046)	9,165
Stage 3 (Note (ii))	–	–	–	45,180	45,180	(23,218)	21,962
Financial investments at fair value through other comprehensive income							
Stage 1	848,602	649	–	–	849,251	(1,787)	849,251
Stage 2	–	–	–	–	–	–	–
Stage 3	–	–	–	530	530	(771)	530
Maximum credit risk exposure	5,492,161	1,778,512	339,045	115,448	7,725,166	(169,116)	7,558,608

(Amounts in millions of Renminbi unless otherwise stated)

53 Financial risk management (continued)

(a) Credit risk (continued)

Measurement of expected credit losses ("ECL") (continued)

(i) Maximum credit risk exposure (continued)

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)).

(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:

	Six months ended 30 June 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	**(63,077)**	**–**	**–**
Net transfers into Stage 2	**–**	**1,501**	**–**
Net transfers into Stage 3	**–**	**–**	**61,576**
Net transactions incurred during the period (Note (i))	**161,251**	**(15,492)**	**(28,600)**
Write-off	**–**	**–**	**(30,983)**
Others (Note (ii))	**(5,082)**	**146**	**67**
As at 30 June 2025	**5,632,579**	**107,161**	**71,798**

	Year ended 31 December 2024		
	Stage 1	Stage 2	Stage 3
As at 1 January 2024	5,348,309	96,779	67,646
Movements			
Net transfers out from Stage 1	(121,079)	–	–
Net transfers into Stage 2	–	42,321	–
Net transfers into Stage 3	–	–	78,758
Net transactions incurred during the year (Note (i))	304,200	(19,131)	(16,400)
Write-off	–	–	(60,724)
Others (Note (ii))	8,057	1,037	458
As at 31 December 2024	5,539,487	121,006	69,738

(Amounts in millions of Renminbi unless otherwise stated)

53 Financial risk management (continued)

(a) Credit risk (continued)

Measurement of expected credit losses ("ECL") (continued)

(ii) Measurement of expected credit losses (continued)

The following table shows the movement in carrying value of financial investment in current reporting period:

	Six months ended 30 June 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	**284**	**–**	**–**
Net transfers out from Stage 2	**–**	**(329)**	**–**
Net transfers into Stage 3	**–**	**–**	**45**
Net transactions incurred during the period (Note (i))	**137,952**	**1,395**	**(2,065)**
Write-off	**–**	**–**	**–**
Others (Note (ii))	**(6,695)**	**205**	**253**
As at 30 June 2025	**2,070,555**	**11,482**	**43,943**

	Year ended 31 December 2024		
	Stage 1	Stage 2	Stage 3
As at 1 January 2024	1,945,626	6,438	48,516
Movements			
Net transfers out from Stage 1	(4,812)	–	–
Net transfers into Stage 2	–	4,301	–
Net transfers into Stage 3	–	–	511
Net transactions incurred during the year (Note (i))	(6,687)	(1,339)	(148)
Write-off	–	–	(3,365)
Others (Note (ii))	4,887	811	196
As at 31 December 2024	1,939,014	10,211	45,710

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.

(Amounts in millions of Renminbi unless otherwise stated)

53 Financial risk management (continued)

(a) Credit risk (continued)

Measurement of expected credit losses ("ECL") (continued)

(ii) Measurement of expected credit losses (continued)

The following table shows the movement in allowance for impairment of loans and advances to customers in current reporting period:

	Six months ended 30 June 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	**(1,451)**	**–**	**–**
Net transfers into Stage 2	**–**	**336**	**–**
Net transfers into Stage 3	**–**	**–**	**26,798**
Net transactions incurred during the period (Note (ii))	**5,611**	**(1,577)**	**(20,510)**
Changes in parameters for the year (Note (iii))	**(995)**	**(1,908)**	**19,162**
Write-off	**–**	**–**	**(30,983)**
Others (Note (iv))	**20**	**252**	**6,439**
As at 30 June 2025	**65,771**	**26,557**	**49,808**

	Year ended 31 December 2024		
	Stage 1	Stage 2	Stage 3
As at 1 January 2024	63,562	27,105	44,531
Movements (Note (i))			
Net transfers out from Stage 1	(3,136)	–	–
Net transfers into Stage 2	–	6,157	–
Net transfers into Stage 3	–	–	33,557
Net transactions incurred during the year (Note (ii))	7,501	(4,995)	(6,962)
Changes in parameters for the year (Note (iii))	(5,303)	131	25,749
Write-off	–	–	(60,724)
Others (Note (iv))	(38)	1,056	12,751
As at 31 December 2024	62,586	29,454	48,902

(Amounts in millions of Renminbi unless otherwise stated)

53 Financial risk management (continued)

(a) Credit risk (continued)

Measurement of expected credit losses ("ECL") (continued)

(ii) Measurement of expected credit losses (continued)

The following table shows the movement in allowance for impairment of financial investment in current reporting period:

	Six months ended 30 June 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	**16**	**–**	**–**
Net transfers out from Stage 2	**–**	**(16)**	**–**
Net transfers into Stage 3	**–**	**–**	**–**
Net transactions incurred during the period (Note (ii))	**193**	**276**	**(718)**
Changes in parameters for the year (Note (iii))	**(336)**	**173**	**316**
Write-off	**–**	**–**	**–**
Others (Note (iv))	**(2)**	**204**	**322**
As at 30 June 2025	**3,559**	**1,683**	**23,909**

	Year ended 31 December 2024		
	Stage 1	Stage 2	Stage 3
As at 1 January 2024	3,965	1,580	22,728
Movements (Note (i))			
Net transfers out from Stage 1	(165)	–	–
Net transfers out from Stage 2	–	(58)	–
Net transfers into Stage 3	–	–	223
Net transactions incurred during the year (Note (ii))	203	(618)	1,386
Changes in parameters for the year (Note (iii))	(309)	138	2,961
Write-off	–	–	(3,365)
Others (Note (iv))	(6)	4	56
As at 31 December 2024	3,688	1,046	23,989

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.

(Amounts in millions of Renminbi unless otherwise stated)

53 Financial risk management (continued)

(a) Credit risk (continued)

Measurement of expected credit losses ("ECL") (continued)

(iii) Loans and advances to customers analysed by industry sector:

	30 June 2025			31 December 2024		
	Gross balance	**%**	**Loans and advances secured by collateral**	Gross balance	%	Loans and advances secured by collateral
Corporate loans						
— manufacturing	**647,394**	**11.1**	**219,125**	556,173	9.7	197,868
— rental and business services	**626,106**	**10.7**	**176,952**	563,951	9.8	156,726
— water, environment and public utility management	**459,362**	**7.9**	**96,711**	437,242	7.6	96,817
— real estate	**297,160**	**5.1**	**205,063**	285,149	5.0	196,753
— wholesale and retail	**248,629**	**4.3**	**96,963**	226,139	3.9	93,242
— transportation, storage and postal services	**165,800**	**2.8**	**67,838**	148,934	2.6	62,888
— production and supply of electric power, heat, gas and water	**134,252**	**2.3**	**49,587**	118,483	2.1	46,869
— construction	**133,823**	**2.3**	**35,838**	115,613	2.0	36,822
— financial industry	**110,144**	**1.9**	**11,443**	91,514	1.6	8,896
— Information transmission, software and information technology services	**74,862**	**1.3**	**23,751**	66,479	1.2	22,681
— others	**328,067**	**5.6**	**86,579**	298,440	5.2	84,905
Subtotal	**3,225,599**	**55.3**	**1,069,850**	2,908,117	50.7	1,004,467
Personal loans	**2,350,755**	**40.4**	**1,635,728**	2,362,110	41.1	1,593,382
Discounted bills	**225,546**	**3.9**	**–**	449,901	7.8	–
Accrued interest	**23,105**	**0.4**	**–**	21,715	0.4	–
Gross loans and advances to customers	**5,825,005**	**100.0**	**2,705,578**	5,741,843	100.0	2,597,849

(iv) Loans and advances to customers analysed by geographical sector:

	30 June 2025			31 December 2024		
	Gross balance	**%**	**Loans and advances secured by collateral**	Gross balance	%	Loans and advances secured by collateral
Yangtze River Delta	**1,736,075**	**29.8**	**811,285**	1,647,237	28.8	760,263
Bohai Rim (including Head Office)	**1,384,571**	**23.8**	**474,136**	1,455,154	25.3	465,582
Pearl River Delta and West Strait	**841,583**	**14.4**	**504,925**	812,116	14.1	482,490
Central	**818,956**	**14.1**	**404,722**	804,731	14.0	402,389
Western	**706,117**	**12.1**	**368,136**	696,388	12.1	343,939
Northeastern	**82,946**	**1.4**	**47,866**	84,343	1.5	46,712
Outside Mainland China	**231,652**	**4.0**	**94,508**	220,159	3.8	96,474
Accrued interest	**23,105**	**0.4**	**–**	21,715	0.4	–
Total	**5,825,005**	**100.0**	**2,705,578**	5,741,843	100.0	2,597,849

(Amounts in millions of Renminbi unless otherwise stated)

53 Financial risk management (continued)

(a) Credit risk (continued)

Measurement of expected credit losses ("ECL") (continued)

(v) Loans and advances to customers analysed by type of security

	30 June 2025	31 December 2024
Unsecured loans	**1,719,832**	1,625,741
Guaranteed loans	**1,150,944**	1,046,637
Secured loans	**2,705,578**	2,597,849
— loans secured by collateral	**2,264,225**	2,197,326
— pledged loans	**441,353**	400,523
Subtotal	**5,576,354**	5,270,227
Discounted bills	**225,546**	449,901
Accrued interest	**23,105**	21,715
Gross loans and advances to customers	**5,825,005**	5,741,843

(vi) Rescheduled loans and advances to customers

	30 June 2025		31 December 2024	
	Gross balance	**% of total loans and advances**	Gross balance	% of total loans and advances
Rescheduled loans and advances	**30,210**	**0.52%**	29,601	0.52%
— rescheduled loans and advances overdue more than 3 months	**3,513**	**0.06%**	1,626	0.03%

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 2025, 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.

(Amounts in millions of Renminbi unless otherwise stated)

53 Financial risk management (continued)

(a) Credit risk (continued)

Measurement of expected credit losses ("ECL") (continued)

(vii) Debt securities analysed by credit rating

The Group adopts a credit rating approach to manage credit risk of its debt instruments portfolio. The ratings are obtained from major rating agencies where the debt instruments are issued. As at 30 June 2025 and 31 December 2024, debt instruments analysed by rating as at the end of the reporting period are as follows:

	30 June 2025					
	Unrated (Note (i))	**AAA**	**AA**	**A**	**Below A**	**Total**
Bonds issued by:						
— governments	**872,300**	**558,671**	**35,590**	**338**	**–**	**1,466,899**
— policy banks	**109,726**	**–**	**–**	**5,905**	**–**	**115,631**
— public entities	**–**	**–**	**8,559**	**–**	**51**	**8,610**
— banks and non-bank financial institutions	**21,783**	**211,598**	**18,493**	**51,766**	**9,139**	**312,779**
— corporates	**20,326**	**143,710**	**33,081**	**18,896**	**15,068**	**231,081**
Investment management products managed by securities companies	**24,113**	**–**	**–**	**–**	**–**	**24,113**
Trust investment plans	**167,305**	**–**	**–**	**–**	**–**	**167,305**
Total	**1,215,553**	**913,979**	**95,723**	**76,905**	**24,258**	**2,326,418**

	31 December 2024					
	Unrated (Note (i))	AAA	AA	A	Below A	Total
Bonds issued by:						
— governments	909,891	532,386	41,824	240	–	1,484,341
— policy banks	24,475	–	–	5,192	–	29,667
— public entities	–	–	11,705	–	–	11,705
— banks and non-bank financial institutions	20,305	211,989	16,377	45,594	8,514	302,779
— corporates	20,254	83,324	23,093	20,474	13,020	160,165
Investment management products managed by securities companies	16,712	–	–	–	–	16,712
Trust investment plans	175,858	–	–	–	–	175,858
Total	1,167,495	827,699	92,999	71,500	21,534	2,181,227

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)

(a) Credit risk (continued)

Measurement of expected credit losses ("ECL") (continued)

(viii) Investment management products managed by securities companies and trust investment plans analysed by type of underlying assets at amortised cost

	30 June 2025	31 December 2024
Investment management products managed by securities companies and trust investment plans — credit assets	**208,838**	210,068
Total	**208,838**	210,068

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 approving 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.

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.

(Amounts in millions of Renminbi unless otherwise stated)

53 Financial risk management (continued)

(b) Market risk (continued)

Interest rate risk (continued)

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.

	Average interest rate (Note (i))	30 June 2025 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	1.59%	385,826	18,456	367,370	–	–	–
Deposits with banks and non-bank financial institutions	1.93%	88,304	405	79,419	8,480	–	–
Placements with and loans to banks and non-bank financial institutions	2.50%	469,146	1,705	166,799	237,253	63,389	–
Financial assets held under resale agreements	1.78%	115,331	19	115,312	–	–	–
Loans and advances to customers (Note (ii))	3.79%	5,683,258	20,294	2,761,179	2,559,776	307,814	34,195
Financial investment							
— at fair value through profit or loss		670,434	443,370	34,667	81,983	63,891	46,523
— at amortised cost	2.69%	1,104,505	11,153	78,483	191,646	573,677	249,546
— at fair value through other comprehensive income	2.52%	994,849	6,459	89,994	113,436	514,814	270,146
— designated at fair value through other comprehensive income		4,666	4,666	–	–	–	–
Others		342,147	342,147	–	–	–	–
Total assets		9,858,466	848,674	3,693,223	3,192,574	1,523,585	600,410

	Average interest rate (Note (i))	30 June 2025 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	2.02%	131,186	1,153	4,436	125,597	–	–
Deposits from banks and non-bank financial institutions	1.53%	705,046	4,397	665,348	35,301	–	–
Placements from banks and non-bank financial institutions	2.82%	111,842	405	77,307	29,297	3,589	1,244
Financial liabilities at fair value through profit or loss		2,355	1	–	–	2,221	133
Financial assets sold under repurchase agreements	1.91%	347,163	673	328,725	17,765	–	–
Deposits from customers	1.65%	6,192,094	189,714	3,673,707	1,404,752	923,921	–
Debt securities issued	2.07%	1,376,440	4,798	407,221	711,928	142,500	109,993
Lease liabilities	4.16%	10,980	–	792	2,158	6,803	1,227
Others		148,395	138,813	9,582	–	–	–
Total liabilities		9,025,501	339,954	5,167,118	2,326,798	1,079,034	112,597
Interest rate gap		832,965	508,720	(1,473,895)	865,776	444,551	487,813

(Amounts in millions of Renminbi unless otherwise stated)

53 Financial risk management (continued)

(b) Market risk (continued)

Interest rate risk (continued)

	31 December 2024						
	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	1.63%	340,915	15,890	325,025	–	–	–
Deposits with banks and non-bank financial institutions	2.22%	128,193	335	108,521	19,337	–	–
Placements with and loans to banks and non-bank financial institutions	3.14%	404,801	1,230	170,143	175,035	58,393	–
Financial assets held under resale agreements	1.81%	136,265	31	136,234	–	–	–
Loans and advances to customers (Note (ii))	4.24%	5,601,450	20,013	3,880,345	1,356,402	310,160	34,530
Financial investment							
— at fair value through profit or loss		647,398	434,941	69,204	70,241	13,200	59,812
— at amortised cost	2.93%	1,118,989	13,764	78,013	182,951	591,096	253,165
— at fair value through other comprehensive income	2.80%	849,781	6,425	71,374	102,832	482,857	186,293
— designated at fair value through other comprehensive income		4,702	4,702	–	–	–	–
Others		300,228	300,228	–	–	–	–
Total assets		9,532,722	797,559	4,838,859	1,906,798	1,455,706	533,800

	31 December 2024						
	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	2.48%	124,151	1,544	57,836	64,771	–	–
Deposits from banks and non-bank financial institutions	2.01%	968,492	4,404	894,161	69,927	–	–
Placements from banks and non-bank financial institutions	3.15%	88,550	17	49,378	35,528	3,627	–
Financial liabilities at fair value through profit or loss		1,719	1	–	15	1,652	51
Financial assets sold under repurchase agreements	2.10%	278,003	236	232,354	45,413	–	–
Deposits from customers	1.89%	5,864,311	166,440	3,563,608	1,100,317	1,033,946	–
Debt securities issued	2.42%	1,224,038	3,516	266,626	734,854	149,050	69,992
Lease liabilities	4.37%	10,861	–	790	2,122	6,595	1,354
Others		165,232	163,559	1,673	–	–	–
Total liabilities		8,725,357	339,717	5,066,426	2,052,947	1,194,870	71,397
Interest rate gap		807,365	457,842	(227,567)	(146,149)	260,836	462,403

(Amounts in millions of Renminbi unless otherwise stated)

53 Financial risk management (continued)

(b) Market risk (continued)

Interest rate risk (continued)

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 RMB36,674 million as at 30 June 2025 (as at 31 December 2024: RMB42,178 million).

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 2025 and 31 December 2024.

	30 June 2025		31 December 2024	
	Net interest Income	**Other comprehensive income**	Net interest Income	Other comprehensive income
+100 basis points	**(8,246)**	**(4,628)**	(3,372)	(6,403)
– 100 basis points	**8,246**	**4,628**	3,372	6,403

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.

(Amounts in millions of Renminbi unless otherwise stated)

53 Financial risk management (continued)

(b) Market risk (continued)

Currency risk (continued)

The exposures at the reporting date were as follows:

	30 June 2025				
	RMB	USD (RMB equivalent)	HKD (RMB equivalent)	Others (RMB equivalent)	Total
Assets					
Cash and balances with central banks	368,962	15,793	735	336	385,826
Deposits with banks and non-bank financial institutions	52,038	30,223	2,763	3,280	88,304
Placements with and loans to banks and non-bank financial institutions	380,904	17,716	68,285	2,241	469,146
Financial assets held under resale agreements	111,512	3,819	–	–	115,331
Loans and advances to customers	5,366,826	161,883	115,035	39,514	5,683,258
Financial investments					
— at fair value through profit or loss	643,539	22,772	2,644	1,479	670,434
— at amortised cost	1,100,222	3,898	–	385	1,104,505
— at fair value through other comprehensive income	808,893	119,484	40,120	26,352	994,849
— designated at fair value through other comprehensive income	4,354	235	77	–	4,666
Others	303,620	23,379	14,307	841	342,147
Total assets	9,140,870	399,202	243,966	74,428	9,858,466
Liabilities					
Borrowings from central banks	131,186	–	–	–	131,186
Deposits from banks and non-bank financial institutions	691,297	12,589	514	646	705,046
Placements from banks and non-bank financial institutions	74,005	35,056	2,131	650	111,842
Financial liabilities at fair value through profit or loss	694	505	1,156	–	2,355
Financial assets sold under repurchase agreements	318,727	19,844	1	8,591	347,163
Deposits from customers	5,664,308	271,306	207,218	49,262	6,192,094
Debt securities issued	1,356,641	15,108	2,781	1,910	1,376,440
Lease liability	10,147	32	736	65	10,980
Others	61,854	23,948	57,865	4,728	148,395
Total liabilities	8,308,859	378,388	272,402	65,852	9,025,501
Net on-balance sheet position	832,011	20,814	(28,436)	8,576	832,965
Credit commitments	2,292,150	83,541	35,747	12,226	2,423,664
Derivatives (Note (i))	59,486	(18,856)	27,008	(8,373)	59,265

(Amounts in millions of Renminbi unless otherwise stated)

53 Financial risk management (continued)

(b) Market risk (continued)

Currency risk (continued)

	31 December 2024				
	RMB	USD (RMB equivalent)	HKD (RMB equivalent)	Others (RMB equivalent)	Total
Assets					
Cash and balances with central banks	327,032	12,720	907	256	340,915
Deposits with banks and non-bank financial institutions	85,607	36,476	2,009	4,101	128,193
Placements with and loans to banks and non-bank financial institutions	309,905	42,845	48,040	4,011	404,801
Financial assets held under resale agreements	133,855	2,410	–	–	136,265
Loans and advances to customers	5,311,058	144,969	113,703	31,720	5,601,450
Financial investments					
— at fair value through profit or loss	630,378	12,648	3,146	1,226	647,398
— at amortised cost	1,111,220	7,342	–	427	1,118,989
— at fair value through other comprehensive income	666,480	133,849	33,473	15,979	849,781
— designated at fair value through other comprehensive income	4,417	217	68	–	4,702
Others	266,000	14,684	15,910	3,634	300,228
Total assets	8,845,952	408,160	217,256	61,354	9,532,722
Liabilities					
Borrowings from central banks	124,151	–	–	–	124,151
Deposits from banks and non-bank financial institutions	943,456	23,967	778	291	968,492
Placements from banks and non-bank financial institutions	61,494	25,745	896	415	88,550
Financial liabilities at fair value through profit or loss	313	215	1,191	–	1,719
Financial assets sold under repurchase agreements	263,688	10,752	–	3,563	278,003
Deposits from customers	5,360,385	258,715	197,147	48,064	5,864,311
Debt securities issued	1,201,622	17,335	2,165	2,916	1,224,038
Lease liability	9,968	36	784	73	10,861
Others	76,685	24,483	60,297	3,767	165,232
Total liabilities	8,041,762	361,248	263,258	59,089	8,725,357
Net on-balance sheet position	804,190	46,912	(46,002)	2,265	807,365
Credit commitments	2,201,100	92,517	12,648	13,289	2,319,554
Derivatives (Note (i))	51,373	(44,569)	45,529	(2,111)	50,222

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.

(Amounts in millions of Renminbi unless otherwise stated)

53 Financial risk management (continued)

(b) Market risk (continued)

Currency risk (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 2025 and 31 December 2024, the results of the Group's foreign exchange rate sensitivity analysis.

	30 June 2025		31 December 2024	
	Profit before tax	**Other comprehensive income**	Profit before tax	Other comprehensive income
5% appreciation	**15**	**21**	93	8
5% depreciation	**(15)**	**(21)**	(93)	(8)

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.

(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.

(Amounts in millions of Renminbi unless otherwise stated)

53 Financial risk management (continued)

(c) Liquidity risk (continued)

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.

Analysis of the remaining contractual maturity of assets and liabilities:

	30 June 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	83,290	–	–	5,309	–	–	297,227	385,826
Deposits with banks and non-bank financial institutions	63,194	3,718	10,323	11,069	–	–	–	88,304
Placements with and loans to banks and non-bank financial institutions	–	58,223	108,129	238,790	64,004	–	–	469,146
Financial assets held under resale agreements	–	115,331	–	–	–	–	–	115,331
Loans and advances to customers (Note (ii))	12,102	402,710	369,595	1,418,353	1,571,413	1,883,307	25,778	5,683,258
Financial investments								
— at fair value through profit or loss	–	9,868	24,420	83,240	73,335	46,277	433,294	670,434
— at amortised cost	–	18,522	36,376	191,774	579,230	251,014	27,589	1,104,505
— at fair value through other comprehensive income	–	23,415	37,530	119,757	542,423	271,510	214	994,849
— designated at fair value through other comprehensive income	–	–	–	–	–	–	4,666	4,666
Others	94,781	16,517	26,686	22,126	74,502	7,804	99,731	342,147
Total assets	253,367	648,304	613,059	2,090,418	2,904,907	2,459,912	888,499	9,858,466

(Amounts in millions of Renminbi unless otherwise stated)

53 Financial risk management (continued)

(c) Liquidity risk (continued)

	30 June 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	–	3,603	1,986	125,597	–	–	–	131,186
Deposits from banks and non-bank financial institutions	547,664	37,355	84,608	35,419	–	–	–	705,046
Placements from banks and non-bank financial institutions	–	22,222	55,225	29,335	3,799	1,261	–	111,842
Financial liabilities at fair value through profit or loss	–	–	–	–	2,221	134	–	2,355
Financial assets sold under repurchase agreements	–	184,746	144,652	17,765	–	–	–	347,163
Deposits from customers	2,706,898	449,632	706,465	1,405,111	923,988	–	–	6,192,094
Debt securities issued	–	149,806	258,132	712,280	144,263	111,959	–	1,376,440
Lease liabilities	–	260	532	2,158	6,803	1,227	–	10,980
Others	35,412	35,316	14,781	19,980	22,076	7,932	12,898	148,395
Total liabilities	3,289,974	882,940	1,266,381	2,347,645	1,103,150	122,513	12,898	9,025,501
(Short)/Long position	(3,036,607)	(234,636)	(653,322)	(257,227)	1,801,757	2,337,399	875,601	832,965

	31 December 2024							
	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	11,699	–	–	4,178	–	–	325,038	340,915
Deposits with banks and non-bank financial institutions	97,144	4,488	7,117	19,444	–	–	–	128,193
Placements with and loans to banks and non-bank financial institutions	–	94,012	76,768	175,217	58,804	–	–	404,801
Financial assets held under resale agreements	–	135,562	703	–	–	–	–	136,265
Loans and advances to customers (Note (ii))	13,537	578,960	522,345	1,161,484	1,502,071	1,798,422	24,631	5,601,450
Financial investments								
— at fair value through profit or loss	–	28,832	41,228	70,247	24,108	59,508	423,475	647,398
— at amortised cost	–	16,626	38,226	184,878	597,173	254,872	27,214	1,118,989
— at fair value through other comprehensive income	–	18,768	32,693	105,146	505,293	187,351	530	849,781
— designated at fair value through other comprehensive income	–	–	–	–	–	–	4,702	4,702
Others	47,570	20,694	21,806	42,262	77,435	8,949	81,512	300,228
Total assets	169,950	897,942	740,886	1,762,856	2,764,884	2,309,102	887,102	9,532,722

(Amounts in millions of Renminbi unless otherwise stated)

53 Financial risk management (continued)

(c) Liquidity risk (continued)

	31 December 2024							
	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	–	31,605	27,775	64,771	–	–	–	124,151
Deposits from banks and non-bank financial institutions	505,294	165,422	227,196	70,580	–	–	–	968,492
Placements from banks and non-bank financial institutions	–	8,352	41,339	35,403	3,158	298	–	88,550
Financial liabilities at fair value through profit or loss	–	–	–	15	1,652	52	–	1,719
Financial assets sold under repurchase agreements	–	113,633	118,957	45,413	–	–	–	278,003
Deposits from customers	2,588,659	473,087	667,866	1,100,725	1,033,974	–	–	5,864,311
Debt securities issued	–	32,991	233,913	735,791	150,723	70,620	–	1,224,038
Lease liabilities	–	319	471	2,122	6,595	1,354	–	10,861
Others	43,700	21,203	17,570	35,415	24,376	9,986	12,982	165,232
Total liabilities	3,137,653	846,612	1,335,087	2,090,235	1,220,478	82,310	12,982	8,725,357
(Short)/Long position	(2,967,703)	51,330	(594,201)	(327,379)	1,544,406	2,226,792	874,120	807,365

(Amounts in millions of Renminbi unless otherwise stated)

53 Financial risk management (continued)

(c) Liquidity risk (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 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	83,290	–	1,240	9,179	–	–	297,227	390,936
Deposits with banks and non-bank financial institutions	63,194	3,785	10,595	11,498	–	–	–	89,072
Placements with and loans to banks and non-bank financial institutions	–	58,250	108,234	239,220	65,123	–	–	470,827
Financial assets held under resale agreements	–	115,343	–	–	–	–	–	115,343
Loans and advances to customers (Note (ii))	12,102	413,175	402,455	1,529,391	1,859,187	2,244,936	30,247	6,491,493
Financial investments								
— at fair value through profit or loss	–	9,923	24,772	85,159	80,111	50,798	433,294	684,057
— at amortised cost	–	22,055	40,852	211,900	640,244	279,493	27,962	1,222,506
— at fair value through other comprehensive income	–	24,888	40,091	134,855	599,636	308,440	214	1,108,124
— designated at fair value through other comprehensive income	–	–	–	–	–	–	4,666	4,666
Others	94,781	16,517	26,686	22,126	74,502	7,804	99,731	342,147
Total assets	253,367	663,936	654,925	2,243,328	3,318,803	2,891,471	893,341	10,919,171

(Amounts in millions of Renminbi unless otherwise stated)

53 Financial risk management (continued)

(c) Liquidity risk (continued)

	30 June 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	–	3,646	2,021	128,039	–	–	–	133,706
Deposits from banks and non-bank financial institutions	547,664	37,673	87,042	40,231	–	–	–	712,610
Placements from banks and non-bank financial institutions	–	22,394	55,475	30,211	4,501	1,834	–	114,415
Financial liabilities at fair value through profit or loss	–	–	–	–	2,242	149	–	2,391
Financial assets sold under repurchase agreements	–	184,852	144,763	17,787	–	–	–	347,402
Deposits from customers	2,706,898	455,993	721,950	1,479,755	989,734	–	–	6,354,330
Debt securities issued	–	150,765	260,948	717,051	163,629	122,717	–	1,415,110
Lease liability	–	260	535	2,209	7,576	1,494	–	12,074
Others	35,412	35,316	14,781	19,980	22,076	7,932	12,898	148,395
Total liabilities	3,289,974	890,899	1,287,515	2,435,263	1,189,758	134,126	12,898	9,240,433
(Short)/Long position	(3,036,607)	(226,963)	(632,590)	(191,935)	2,129,045	2,757,345	880,443	1,678,738
Derivative cash flow								
Derivative financial instrument settled on a net basis	–	33	8	63	(84)	10	–	30
Derivative financial instruments settled on a gross basis	–	(804)	(2,490)	2,030	670	(5)	–	(599)
— cash inflow	–	1,316,202	1,026,920	2,685,325	212,879	1,177	–	5,242,503
— cash outflow	–	(1,317,006)	(1,029,410)	(2,683,295)	(212,209)	(1,182)	–	(5,243,102)

(Amounts in millions of Renminbi unless otherwise stated)

53 Financial risk management (continued)

(c) Liquidity risk (continued)

	31 December 2024							
	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	11,699	–	1,324	8,302	–	–	325,038	346,363
Deposits with banks and non-bank financial institutions	97,144	4,559	7,401	20,284	–	–	–	129,388
Placements with and loans to banks and non-bank financial institutions	–	94,145	76,887	175,483	59,417	–	–	405,932
Financial assets held under resale agreements	–	135,580	703	–	–	–	–	136,283
Loans and advances to customers (Note (ii))	13,537	589,458	555,519	1,273,664	1,806,400	2,159,588	29,495	6,427,661
Financial investments								
— at fair value through profit or loss	–	28,876	41,308	71,222	26,697	61,577	423,475	653,155
— at amortised cost	–	18,669	44,336	207,281	662,182	274,729	27,769	1,234,966
— at fair value through other comprehensive income	–	19,863	34,737	119,731	557,246	213,611	530	945,718
— designated at fair value through other comprehensive income	–	–	–	–	–	–	4,702	4,702
Others	47,570	20,694	21,806	42,262	77,435	8,949	81,512	300,228
Total assets	169,950	911,844	784,021	1,918,229	3,189,377	2,718,454	892,521	10,584,396

(Amounts in millions of Renminbi unless otherwise stated)

53 Financial risk management (continued)

(c) Liquidity risk (continued)

	31 December 2024							
	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	–	32,368	28,459	66,060	–	–	–	126,887
Deposits from banks and non-bank financial institutions	505,294	165,815	230,735	77,803	–	–	–	979,647
Placements from banks and non-bank financial institutions	–	8,358	41,352	35,485	3,158	507	–	88,860
Financial liabilities at fair value through profit or loss	–	–	–	15	1,658	74	–	1,747
Financial assets sold under repurchase agreements	–	113,809	119,124	45,485	–	–	–	278,418
Deposits from customers	2,588,659	480,649	684,519	1,160,859	1,120,928	–	–	6,035,614
Debt securities issued	–	32,991	234,323	742,810	166,662	77,398	–	1,254,184
Lease liability	–	319	474	2,173	7,612	1,649	–	12,227
Others	43,700	21,203	17,570	35,415	24,376	9,986	12,982	165,232
Total liabilities	3,137,653	855,512	1,356,556	2,166,105	1,324,394	89,614	12,982	8,942,816
(Short)/Long position	(2,967,703)	56,332	(572,535)	(247,876)	1,864,983	2,628,840	879,539	1,641,580
Derivative cash flow								
Derivative financial instrument settled on a net basis	–	527	2,079	(2,600)	345	28	–	379
Derivative financial instruments settled on a gross basis	–	(909)	(1,532)	645	314	–	–	(1,482)
— cash inflow	–	1,090,891	903,359	2,342,900	211,124	1,114	–	4,549,388
— cash outflow	–	(1,091,800)	(904,891)	(2,342,255)	(210,810)	(1,114)	–	(4,550,870)

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 2025			
	Less than 1 year	**1 – 5 years**	**Over 5 years**	**Total**
Bank acceptances	**959,603**	**–**	**–**	**959,603**
Credit card commitments	**767,145**	**10,351**	**–**	**777,496**
Guarantees	**192,716**	**90,272**	**330**	**283,318**
Loan commitments	**16,098**	**23,912**	**19,130**	**59,140**
Letters of credit	**343,396**	**711**	**–**	**344,107**
Total	**2,278,958**	**125,246**	**19,460**	**2,423,664**

(Amounts in millions of Renminbi unless otherwise stated)

53 Financial risk management (continued)

(c) Liquidity risk (continued)

	31 December 2024			
	Less than 1 year	1 – 5 years	Over 5 years	Total
Bank acceptances	854,489	–	–	854,489
Credit card commitments	812,562	–	–	812,562
Guarantees	163,520	109,710	348	273,578
Loan commitments	8,509	17,002	28,553	54,064
Letters of credit	323,768	1,093	–	324,861
Total	2,162,848	127,805	28,901	2,319,554

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.

(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 three major tools of operational risk management by establishing a sound mechanism of operational risk management in order to identify, evaluate, measure, monitor, control, mitigate and report 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 improves its operational risk management information systems on an ongoing basis to efficiently identify, evaluate, measure, monitor, control, mitigate and report its level of operational risk. The Group's management information system has the functionalities of recording and capturing lost data and events of operational risk to further support operational risk control and self-assessment, monitoring of key risk indicators, supporting operational risk capital measurement, as well as providing operational risk management report content.

(Amounts in millions of Renminbi unless otherwise stated)

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.

	30 June 2025	31 December 2024
Core Tier-One capital adequacy ratio	**9.49%**	9.72%
Tier-One capital adequacy ratio	**10.94%**	11.26%
Capital adequacy ratio	**13.47%**	13.36%
Components of capital base		
Core Tier-One capital:		
Share capital	**55,645**	54,397
Capital reserve	**95,563**	89,282
Other comprehensive income and qualified portion of other equity instruments	**10,117**	16,553
Surplus reserve	**67,629**	67,606
General reserve	**111,895**	111,723
Retained earnings	**367,933**	343,599
Qualified portion of non-controlling interests	**9,369**	8,604
Total core Tier-One capital	**718,151**	691,764
Core Tier-One capital deductions:		
Goodwill (net of related deferred tax liability)	**(1,033)**	(1,060)
Other intangible assets other than land use right (net of related deferred tax liability)	**(2,669)**	(3,566)
Unrealized gains and losses resulting from changes in the fair value of its liabilities due to changes in its own credit risk	**(3)**	(4)
Net core Tier-One capital	**714,446**	687,134
Other Tier-One capital (Note (i))	**108,902**	108,619
Tier-One capital	**823,348**	795,753
Tier-Two capital:		
Qualified portion of Tier-Two capital instruments issued and share premium	**109,993**	69,992
Surplus allowance for impairment	**77,870**	75,939
Qualified portion of non-controlling interests	**2,662**	2,476
Net capital base	**1,013,873**	944,160
Total risk-weighted assets	**7,524,923**	7,068,736

Note:

(i) As at 30 June 2025 and 31 December 2024, 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).

(Amounts in millions of Renminbi unless otherwise stated)

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 2025, 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.

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 2025	31 December 2024	**30 June 2025**	31 December 2024
Financial assets:				
Financial investments				
— at amortised cost	**1,104,505**	1,118,989	**1,126,325**	1,143,541
Financial liabilities:				
Debt securities issued				
— certificates of deposit				
(not for trading purpose) issued	**726**	1,470	**727**	1,480
— debt securities issued	**227,063**	210,029	**228,203**	212,115
— subordinated bonds issued	**115,540**	74,264	**117,902**	77,097
— certificates of interbank deposit issued	**1,033,111**	931,004	**1,033,742**	932,348
— convertible corporate bonds issued	**–**	7,271	**–**	7,690

(Amounts in millions of Renminbi unless otherwise stated)

55 Fair value (continued)

(a) Financial assets and financial liabilities not measured at fair value (continued)

Fair value of financial assets and liabilities above at fair value hierarchy is as follows:

	30 June 2025			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets:				
Financial investments				
— at amortised cost	**2,342**	**933,786**	**190,197**	**1,126,325**
Financial liabilities:				
Debt securities issued				
— certificates of deposit				
(not for trading purpose) issued	**–**	**–**	**727**	**727**
— debt securities issued	**4,612**	**219,926**	**3,665**	**228,203**
— subordinated bonds issued	**3,715**	**114,187**	**–**	**117,902**
— certificates of interbank deposit issued	**28,821**	**1,004,921**	**–**	**1,033,742**

	31 December 2024			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial investments				
— at amortised cost	2,444	949,679	191,418	1,143,541
Financial liabilities:				
Debt securities issued				
— certificates of deposit				
(not for trading purpose) issued	–	–	1,480	1,480
— debt securities issued	4,784	204,554	2,777	212,115
— subordinated bonds issued	3,781	73,316	–	77,097
— certificates of interbank deposit issued	29,663	902,685	–	932,348
— convertible corporate bonds issued	–	–	7,690	7,690

(Amounts in millions of Renminbi unless otherwise stated)

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 2025				
Recurring fair value measurements				
Assets				
Loans and advances to customers at fair value through other comprehensive income				
— loans	–	112,818	–	112,818
— discounted bills	–	223,654	–	223,654
Loans and advances to customers at fair value through current profit or loss	–	–	13,467	13,467
Financial investments at fair value through profit or loss				
— investment funds	121,597	305,294	7,882	434,773
— debt securities	4,745	191,915	6,195	202,855
— certificates of deposit and interbank certificates of deposit	–	22,989	–	22,989
— wealth management	–	1,679	1,604	3,283
— trust investment plans	–	–	1,220	1,220
— equity instruments	325	2	4,987	5,314
Financial investments at fair value through other comprehensive income				
— debt securities	134,826	838,742	118	973,686
— certificates of deposit and interbank certificates of deposit	3,041	11,663	–	14,704
Financial investments designated at fair value through other comprehensive income				
— equity instruments	234	–	4,432	4,666
Derivative financial assets				
— interest rate derivatives	5	16,543	–	16,548
— currency derivatives	–	33,909	–	33,909
— precious metals derivatives	–	1,612	–	1,612
Total financial assets measured at fair value	264,773	1,760,820	39,905	2,065,498
Liabilities				
Financial liabilities at fair value through profit or loss				
— short position in debt securities	162	372	–	534
— structured products	–	–	1,821	1,821
Derivative financial liabilities				
— interest rate derivatives	6	16,509	–	16,515
— currency derivatives	–	30,154	–	30,154
— precious metals derivatives	–	6,365	–	6,365
Total financial liabilities measured at fair value	168	53,400	1,821	55,389

(Amounts in millions of Renminbi unless otherwise stated)

55 Fair value (continued)

(b) Financial assets and financial liabilities measured at fair value (continued)

	Level 1 (Note (i))	Level 2 (Note (i))	Level 3 (Note (ii))	Total
As at 31 December 2024				
Recurring fair value measurements				
Assets				
Loans and advances to customers at fair value through other comprehensive income				
— loans	–	76,032	–	76,032
— discounted bills	–	447,719	–	447,719
Loans and advances to customers at fair value through current profit or loss	–	–	11,612	11,612
Financial investments at fair value through profit or loss				
— investment funds	128,148	291,036	8,413	427,597
— debt securities	2,317	145,632	5,615	153,564
— certificates of deposit and interbank certificates of deposit	–	57,626	–	57,626
— wealth management	41	688	1,402	2,131
— trust investment plans	–	–	1,267	1,267
— equity instruments	449	–	4,764	5,213
Financial investments at fair value through other comprehensive income				
— debt securities	134,051	697,228	216	831,495
— certificates of deposit and interbank certificates of deposit	1,766	10,095	–	11,861
Financial investments designated at fair value through other comprehensive income				
— equity instruments	216	–	4,486	4,702
Derivative financial assets				
— interest rate derivatives	1	21,143	–	21,144
— currency derivatives	–	64,282	–	64,282
— precious metals derivatives	–	503	–	503
Total financial assets measured at fair value	266,989	1,811,984	37,775	2,116,748
Liabilities				
Financial liabilities at fair value through profit or loss				
— short position in debt securities	94	–	–	94
— structured products	–	–	1,625	1,625
Derivative financial liabilities				
— interest rate derivatives	3	20,788	–	20,791
— currency derivatives	–	57,090	–	57,090
— precious metals derivatives	–	3,281	–	3,281
Total financial liabilities measured at fair value	97	81,159	1,625	82,881

(Amounts in millions of Renminbi unless otherwise stated)

55 Fair value (continued)

(b) Financial assets and financial liabilities measured at fair value (continued)

Notes:

(i) During the current period, 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 2025	**21,461**	**216**	**4,486**	**11,612**	**37,775**	**(1,625)**	**(1,625)**
Total gains or losses							
— in profit or loss	**(6,544)**	**–**	**–**	**8**	**(6,536)**	**–**	**–**
— in comprehensive income	**–**	**(1)**	**(53)**	**–**	**(54)**	**–**	**–**
Purchases	**7,728**	**103**	**–**	**2,148**	**9,979**	**(282)**	**(282)**
Settlements	**(715)**	**(200)**	**–**	**(5)**	**(920)**	**47**	**47**
Transfer in/out	**34**	**–**	**–**	**–**	**34**	**–**	**–**
Exchange effect	**(76)**	**–**	**(1)**	**(296)**	**(373)**	**39**	**39**
As at 30 June 2025	**21,888**	**118**	**4,432**	**13,467**	**39,905**	**(1,821)**	**(1,821)**

	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 2024	56,645	475	4,634	5,558	67,312	(1,061)	(1,061)
Total gains or losses							
— in profit or loss	2,217	–	–	70	2,287	–	–
— in comprehensive income	–	86	(7)	–	79	–	–
Purchases	688	291	–	3,953	4,932	(91)	(91)
Settlements	(3,214)	(245)	–	(137)	(3,596)	–	–
Transfer in/out	(35,949)	–	–	–	(35,949)	–	–
Exchange effect	172	–	1	115	288	(27)	(27)
As at 30 June 2024	20,559	607	4,628	9,559	35,353	(1,179)	(1,179)

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 purchase, sale, 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.

(Amounts in millions of Renminbi unless otherwise stated)

56 Related parties (continued)

(b) Related party transactions (continued)

In addition, transactions during the relevant period and the corresponding balances outstanding at the reporting dates are as follows:

	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/expense	**181**	**15**	**–**
Interest expense	**(749)**	**(1,342)**	**(11)**
Net trading losses/(gains)	**(45)**	**32**	**–**
Other service fees	**(1,844)**	**(305)**	**(18)**

	Six months ended 30 June 2024		
	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	1,986	526	276
Fee and commission income and other operating income/expense	177	12	1
Interest expense	(1,046)	(1,852)	(17)
Net trading gains	56	39	–
Other service fees	(1,874)	(357)	–

(Amounts in millions of Renminbi unless otherwise stated)

56 Related parties (continued)

(b) Related party transactions (continued)

	30 June 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	54,927	18,897	–
Less: allowance for impairment losses on loans and advances	(1,152)	(206)	–
Loans and advances to customers (net)	53,775	18,691	–
Deposits with banks and non-bank financial institutions	–	–	19,802
Placements with and loans to banks and non-bank financial institutions	64,390	–	35
Derivative financial assets	656	–	–
Financial assets held under resale agreement	4,551	–	–
Investment in financial assets			
— at fair value through profit or loss	4,797	100	–
— at amortised cost	18,183	2,325	–
— at fair value through other comprehensive income	5,432	951	–
— designated at fair value through other comprehensive income	452	–	–
Investments in associates and joint ventures	–	–	7,641
Right-of-use assets	65	–	–
Other assets	26	–	–
Liabilities			
Deposits from banks and non-bank financial institutions	51,022	1,268	148
Derivative financial liabilities	605	–	–
Deposits from customers	67,098	204,025	1
Lease liabilities	62	–	–
Other liabilities	6,357	–	–
Off-balance sheet items			
Guarantees and letters of credit	6,949	10,823	–
Acceptances	3,031	307	–
Nominal amount of derivatives financial instruments	307,536	–	–

(Amounts in millions of Renminbi unless otherwise stated)

56 Related parties (continued)

(b) Related party transactions (continued)

	31 December 2024		
	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	48,915	20,794	–
Less: allowance for impairment losses on loans and advances	(545)	(9)	–
Loans and advances to customers (net)	48,370	20,785	–
Deposits with banks and non-bank financial institutions	100	–	25,500
Placements with and loans to banks and non-bank financial institutions	56,865	–	–
Derivative financial assets	1,275	–	–
Financial assets held under resale agreement	1,601	–	–
Investment in financial assets			
— at fair value through profit or loss	4,267	–	–
— at amortised cost	18,187	2,625	–
— at fair value through other comprehensive income	5,410	1,942	–
— designated at fair value through other comprehensive income	453	–	–
Investments in associates and joint ventures	–	–	7,349
Property, plant and equipment	39	2	–
Right-of-use assets	76	–	–
Intangible assets	367	–	40
Other assets	581	1	–
Liabilities			
Deposits from banks and non-bank financial institutions	47,214	853	305
Placements with and loans to banks and nonbank financial institutions	348	–	–
Derivative financial liabilities	1,132	–	–
Deposits from customers	72,909	199,703	1
Lease liabilities	77	–	–
Other liabilities	707	–	23
Off-balance sheet items			
Guarantees and letters of credit	8,404	12,395	–
Acceptances	2,692	–	–
Nominal amount of derivatives financial instruments	255,460	–	–

Note:

(i) Other important holding companies include CNTC and 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. During the six-month period ended 30 June 2025, the transactions between the Group and the subsidiaries of CNTC were not significant.

56 Related parties (continued)

(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, supervisors 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 2025 to directors, supervisors and executive officers amounted to Nil (as at 31 December 2024: Nil).

The aggregated compensations for directors, supervisors and executive officers of the Bank during the six months ended 30 June 2025 amounted to RMB12.66 million (Six months ended 30 June 2024: RMB13.11 million).

(d) Supplementary defined contribution plan

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").

Transactions with state-owned entities, including CNTC and its controlled enterprises, 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.

(Amounts in millions of Renminbi unless otherwise stated)

57 Structured entities

(a) Consolidated structured entities

Structured entities consolidated by the Group include certain asset management plans, 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.

(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 2025 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 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	3,283	–	–	3,283	3,283
Investment management products managed by securities companies	–	27,184	–	27,184	27,184
Trust investment plans	1,220	181,654	–	182,874	182,874
Asset-backed securities	1,416	82,150	21,056	104,622	104,622
Investment funds	434,773	–	–	434,773	434,773
Total	440,692	290,988	21,056	752,736	752,736

(Amounts in millions of Renminbi unless otherwise stated)

57 Structured entities (continued)

(b) Unconsolidated structured entities sponsored and managed by third parties (continued)

	31 December 2024				
	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	2,131	–	–	2,131	2,131
Investment management products managed by securities companies	–	20,162	–	20,162	20,162
Trust investment plans	1,267	189,906	–	191,173	191,173
Asset-backed securities	840	76,613	34,056	111,509	111,509
Investment funds	427,597	–	–	427,597	427,597
Total	431,835	286,681	34,056	752,572	752,572

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.

(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 distrib returns to investors based on the operation of the products. The Group's interests in these unconsolidated structured entities primarily represent in receiveing fee and commission income.

As at 30 June 2025, the total assets invested by these outstanding non-principal guaranteed wealth management products issued by the Group amounted to RMB2,132,203 million (31 December 2024: RMB1,992,675 million).

During the six months ended 30 June 2025, the Group's interest in these wealth management products included fee and commission income of RMB3,548 million (Six months ended 30 June 2024: RMB2,651 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 2025, net interest income which related to repo transactions entered into by the Group with these wealth management products were RMB64 million (Six months ended 30 June 2024: RMB103 million).

In order to achieve a smooth transition and steady development of the wealth management business, In the first half of 2025, in accordance with the requirements of the "Guiding Opinions on Regulating the Asset Management Business of Financial Institutions", the Group continues to promote net-value-based reporting of its asset management products and dispose of existing portfolios.

As at 30 June 2025, assets of these wealth management products amounting to RMB268,200 million (31 December 2024: RMB291,631 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 2025, 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.

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 2025 totaled RMB22,795 million (Six months ended 30 June 2024: RMB10,300 million) are set forth below.

Securitisation transactions

During the six months ended 30 June 2025, the Group, through securitisation, transferred financial assets at the original cost of RMB18,889 million, which qualified for full de-recognition (Six months ended 30 June 2024: RMB9,113 million, which qualified for full de-recognition).

Loan and other Financial assets transfers

During the six months ended 30 June 2025, the Group also transferred loan and other financial assets of book value before impairment of RMB3,906 million through other types of transactions (Six months ended 30 June 2024: RMB1,187 million). RMB3,714 million of this balance (Six months ended 30 June 2024: RMB1,187 million) was non-performing loans. The Group carried out assessment based on the transfer of risks and rewards of ownership and concluded that these transferred assets qualified for full de-recognition.

During the six months ended 30 June 2025, the Group transferred loans and other financial assets of book value before impairment of RMB198 million to China CITIC Financial Asset Management Co., Ltd. (formerly China Huarong Asset Management Co., Ltd.) through other types of transactions (Six months ended 30 June 2024: RMB298 million). RMB198 million of this balance was non-performing loans (Six months ended 30 June 2024: RMB298 million). All of the above-mentioned financial assets are qualified for full de-recognition.

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 2025, the amount of the financial assets and financial liabilities subject to enforceable master netting arrangements or similar agreements are not material to the Group.

(Amounts in millions of Renminbi unless otherwise stated)

60 Interim statements of financial position and changes in equity of the Bank

Statement of financial position

	30 June 2025	31 December 2024
Assets		
Cash and balances with central banks	**382,146**	336,954
Deposits with banks and non-bank financial institutions	**76,596**	116,952
Precious metals	**29,426**	13,580
Placements with and loans to banks and non-bank financial institutions	**388,631**	339,015
Derivative financial assets	**38,873**	66,224
Financial assets held under resale agreements	**102,234**	129,437
Loans and advances to customers	**5,390,945**	5,315,869
Financial investments		
— at fair value through profit or loss	**663,777**	641,043
— at amortised cost	**1,101,935**	1,118,313
— at fair value through other comprehensive income	**846,347**	706,869
— designated at fair value through other comprehensive income	**3,824**	3,869
Investments in subsidiaries and joint ventures	**37,552**	34,258
Property, plant and equipment	**32,330**	33,363
Right-of-use assets	**10,159**	10,192
Intangible assets	**1,935**	2,725
Deferred tax assets	**52,998**	52,618
Other assets	**93,820**	61,984
Total assets	**9,253,528**	8,983,265
Liabilities		
Borrowings from central banks	**131,100**	124,090
Deposits from banks and non-bank financial institutions	**706,263**	967,785
Placements from banks and non-bank financial institutions	**14,815**	4,942
Financial liabilities at fair value through profit or loss	**372**	–
Derivative financial liabilities	**39,710**	62,536
Financial assets sold under repurchase agreements	**317,452**	262,164
Deposits from customers	**5,819,188**	5,512,990
Accrued staff costs	**16,955**	19,634
Taxes payable	**4,597**	6,918
Debt securities issued	**1,366,570**	1,215,952
Lease liabilities	**10,051**	9,895
Provisions	**10,401**	9,897
Other liabilities	**42,479**	35,781
Total liabilities	**8,479,953**	8,232,584
Equity		
Share capital	**55,645**	54,397
Other equity instruments	**104,948**	105,499
Capital reserve	**97,956**	91,676
Other comprehensive income	**6,700**	11,895
Surplus reserve	**67,629**	67,629
General reserve	**107,205**	107,205
Retained earnings	**333,492**	312,380
Total equity	**773,575**	750,681
Total liabilities and equity	**9,253,528**	8,983,265

(Amounts in millions of Renminbi unless otherwise stated)

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 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**

	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	General reserve	Retained earnings	Total equity
As at 1 January 2024	48,967	118,060	61,790	1,867	60,992	101,140	290,804	683,620
(i) Profit for the period	–	–	–	–	–	–	33,058	33,058
(ii) Other comprehensive income	–	–	–	5,460	–	–	–	5,460
Total comprehensive income	–	–	–	5,460	–	–	33,058	38,518
(iii) Investor capital								
— Convertible corporate bonds converted into equity	4,490	(2,147)	25,044	–	–	–	–	27,387
— Insurance of perpetual bonds	–	30,000	(4)	–	–	–	–	29,996
(iv) Profit appropriations								
— Dividend distribution to ordinary shareholders of the Bank	–	–	–	–	–	–	(17,432)	(17,432)
— Interest paid to holders of perpetual bonds	–	–	–	–	–	–	(1,680)	(1,680)
As at 30 June 2024	53,457	145,913	86,830	7,327	60,992	101,140	304,750	760,409

(Amounts in millions of Renminbi unless otherwise stated)

60 Interim statements of financial position and changes in equity of the Bank (continued)

Statement of changes in equity (continued)

	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	General reserve	Retained earnings	Total equity
As at 1 January 2024	48,967	118,060	61,790	1,867	60,992	101,140	290,804	683,620
(i) Profit for the year	–	–	–	–	–	–	66,372	66,372
(ii) Other comprehensive income	–	–	–	10,028	–	–	–	10,028
Total comprehensive income	–	–	–	10,028	–	–	66,372	76,400
(iii) Investor capital								
— Convertible corporate bonds converted into equity	5,430	(2,568)	29,897	–	–	–	–	32,759
— Issuance of perpetual bonds	–	30,000	(4)	–	–	–	–	29,996
— Redemption of perpetual bonds	–	(39,993)	(7)	–	–	–	–	(40,000)
(iv) Profit appropriations								
— Appropriations to surplus reserve	–	–	–	–	6,637	–	(6,637)	–
— Appropriations to general reserve	–	–	–	–	–	6,065	(6,065)	–
— Dividend distribution to ordinary shareholders of the Bank	–	–	–	–	–	–	(27,306)	(27,306)
— Dividend distribution to preference shareholders	–	–	–	–	–	–	(1,428)	(1,428)
— Interest paid to holders of perpetual bonds	–	–	–	–	–	–	(3,360)	(3,360)
As at 31 December 2024	54,397	105,499	91,676	11,895	67,629	107,205	312,380	750,681

61 Non-adjusting events after reporting period

As proposed by the Board of Directors of the Bank on 27 August 2025, the Bank intends to distribute an interim cash dividend of RMB1.88 per 10 shares for the first half of the year ended 30 June 2025 to ordinary shareholders of record on the relevant record date, amounting to approximately RMB10,461 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.

Chapter 6 Unaudited Supplementary Financial Information

(Expressed in millions of Renminbi unless otherwise stated)

The information set out below does not form part of the interim 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 2025 in accordance with the Accounting Standards for Business Enterprises and other relevant regulations issued by the regulatory bodies of the PRC (collectively "PRC GAAP").

There is no difference in the profit for the six months ended 30 June 2025 or total equity as at 30 June 2025 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 2025	31 December 2024
Liquidity coverage ratio	**137.45%**	218.13%

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.

3 Currency concentrations

	30 June 2025			
	US Dollars	**HK Dollars**	**Others**	**Total**
Spot assets	**405,714**	**9,042**	**58,530**	**473,286**
Spot liabilities	**(376,116)**	**(11,879)**	**(58,544)**	**(446,539)**
Forward purchases	**2,567,967**	**32,587**	**204,257**	**2,804,811**
Forward sales	**(2,577,447)**	**(26,462)**	**(204,254)**	**(2,808,163)**
Options	**(17,583)**	**4,168**	**855**	**(12,560)**
Net long/(short) position	**2,535**	**7,456**	**844**	**10,835**

	31 December 2024			
	US Dollars	HK Dollars	Others	Total
Spot assets	379,012	213,774	55,510	648,296
Spot liabilities	(333,070)	(260,583)	(52,690)	(646,343)
Forward purchases	2,243,239	188,562	183,849	2,615,650
Forward sales	(2,275,451)	(145,746)	(187,167)	(2,608,364)
Options	(12,357)	2,712	1,207	(8,438)
Net long/(short) position	1,373	(1,281)	709	801

(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 2025			
	Banks	**Official sector**	**Non-bank private sector**	**Total**
Asia Pacific excluding Mainland China	**104,434**	**962**	**161,325**	**266,721**
— of which attributed to Hong Kong	**40,665**	**647**	**119,063**	**160,375**
Europe	**47,700**	**2,141**	**29,522**	**79,363**
North and South America	**42,441**	**29,893**	**8,988**	**81,322**
Africa	**155**	**–**	**22,898**	**23,053**
Other	**26**	**–**	**–**	**26**
Total	**194,756**	**32,996**	**222,733**	**450,485**

	31 December 2024			
	Banks	Official sector	Non-bank private sector	Total
Asia Pacific excluding Mainland China	100,574	632	168,973	270,179
— of which attributed to Hong Kong	46,535	314	115,036	161,885
Europe	27,694	4,512	30,795	63,001
North and South America	35,506	40,632	24,974	101,112
Africa	4	–	4,803	4,807
Other	1,040	–	–	1,040
Total	164,818	45,776	229,545	440,139

(Expressed in millions of Renminbi unless otherwise stated)

5 Overdue loans and advances to customers by geographical sectors

	30 June 2025		
	Gross loans and advances	**Loans and advances overdue over 3 months**	**Credit-impaired loans**
Yangtze River Delta	**1,736,075**	**6,628**	**9,871**
Bohai Rim (include Head Office)	**1,384,571**	**12,968**	**20,303**
Pearl River Delta and West Strait	**841,583**	**7,644**	**10,353**
Central	**818,956**	**8,672**	**10,922**
Western	**706,117**	**12,783**	**14,615**
Northeastern	**82,946**	**497**	**754**
Outside Mainland China	**231,652**	**3,777**	**3,994**
Accrued interest	**23,105**	**–**	**986**
Total	**5,825,005**	**52,969**	**71,798**

	31 December 2024		
	Gross loans and advances	Loans and advances overdue over 3 months	Credit-impaired loans
Yangtze River Delta	1,647,237	5,453	8,924
Bohai Rim (include Head Office)	1,455,154	14,902	19,462
Pearl River Delta and West Strait	812,116	8,375	10,504
Central	804,731	7,590	9,479
Western	696,388	7,845	14,540
Northeastern	84,343	1,238	1,450
Outside Mainland China	220,159	4,115	4,586
Accrued interest	21,715	–	793
Total	5,741,843	49,518	69,738

(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 2025, the Group had no overdue amounts due from banks and other financial institutions (31 December 2024: Nil).

(b) Gross amounts of overdue loans and advances to customers

	30 June 2025	31 December 2024
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	**16,426**	15,563
— between 6 and 12 months	**15,057**	13,833
— over 12 months	**21,486**	20,122
Total	**52,969**	49,518
As a percentage of total gross loans and advances to customers:		
— between 3 and 6 months	**0.28%**	0.27%
— between 6 and 12 months	**0.26%**	0.24%
— over 12 months	**0.37%**	0.35%
Total	**0.91%**	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)

(b) Gross amounts of overdue loans and advances to customers (continued)

As at 30 June 2025, the loans and advances to customers of RMB52,969 million of the above overdue loans and advances were credit-impaired (As at 31 December 2024,the loans and advances to customers of RMB49,518 million of the above overdue loans and advances were credit-impaired).

Loans and advances to customers overdue for more than 3 months:

	30 June 2025	31 December 2024
Secured portion	**27,051**	24,529
Unsecured portion	**25,918**	24,989
Total	**52,969**	49,518
Allowance for impairment losses	**(31,220)**	(35,236)
Net balance	**21,749**	14,282
Maximum exposure covered by pledge and collateral held	**31,248**	31,441

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 2025, 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.

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